AN ORDINANCE 2015-12-17-1050

AUTHORIZING THE PUBLIC FACILITY CORPORATION ("PFC") TO ENTER INTO A SOCCER STADIUM FACILITY LEASE AGREEMENT WITH SA FC MANAGEMENT, LLC ("SA FC") FOR A TERM OF 20 YEARS AT AN ANNUAL RENTAL AMOUNT OF \$100,000.00; AUTHORIZING A \$500,000.00 CONTRIBUTION TO THE PFC TO BE USED FOR PFC APPROVED DEFERRED MAINTENANCE AND FACILITY STANDARD UPGRADES AT TOYOTA FIELD, SUCH CONTRIBUTION BEING CONTINGENT UPON A \$1 MILLION CONTRIBUTION TOWARDS DEFERRED MAINTENANCE AND FACILITY STANDARD UPGRADES AT TOYOTA FIELD FROM SA FC AND A \$500,000.00 CONTRIBUTION FROM BEXAR COUNTY ("COUNTY") FOR DEFERRED MAINTENANCE OF THE STAR SOCCER COMPLEX; APPROVING THE NEGOTIATION AND EXECUTION OF ANCILLARY DOCUMENTS NECESSARY TO LEASE **TOYOTA FIELD INCLUDING** \mathbf{A} **PROVISION PROVIDING** REIMBURSEMENT TO CITY AND COUNTY OF A COMBINED \$5 MILLION SHOULD NO MAJOR LEAGUE SOCCER FRANCHISE BE AWARDED.

* * * * * *

WHEREAS, the San Antonio community has sought to attract a Major League Soccer ("MLS") franchise to the City; and

WHEREAS, recent discussions among the City, County, Spurs Sports & Entertainment ("SS&E") and representatives of Sports Outdoor and Recreation (SOAR) Park have resulted in a concerted effort to develop a strategy that will lead to the establishment of a MLS franchise in San Antonio; and

WHEREAS, the strategy includes the purchase of Toyota Field by the City and County through the PFC from SOAR with a contribution from SS&E and, upon acquisition, leasing Toyota Field to SA FC, a SS&E affiliate, for the operation of a minor league soccer team while SS&E pursues a MLS franchise; and

WHEREAS, the terms and conditions of an agreement for the purchase of Toyota Field from SOAR have been reached and the City Council has created the PFC to take ownership of Toyota Field; and

WHEREAS, the City Council is authorizing the PFC to enter into a 20 year Soccer Stadium Facility Lease Agreement with SA FC for the operation of Toyota Field in an effort to attract a MLS franchise; and

WHEREAS, the City Council is also authorizing a \$500,000.00 contribution to the PFC for deferred maintenance and facility standard upgrades at Toyota Field, contingent upon a \$1 million contribution from SA FC for deferred maintenance and facility standard upgrades at Toyota Field and a \$500,000.00 contribution from Bexar County for deferred maintenance at STAR Soccer Complex; NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Council does hereby authorize the PFC to enter into a Soccer Stadium Facility Lease Agreement with SA FC Management, LLC for a term of 20 years at an annual lease rental of \$100,000.00 and a provision providing reimbursement to City and County of a combined \$5 million should no MLS franchise be awarded to SA FC.

SECTION 2. The City Council does hereby approve the contribution of \$500,000.00 to the PFC towards the deferred maintenance and facility standard upgrades at Toyota Field contingent upon SA FC contributing \$1 million towards deferred maintenance and facility standard upgrades at Toyota Field and Bexar County contributing \$500,000.00 to deferred maintenance at STAR Soccer Complex.

SECTION 3. The City Manager or her designee, upon the concurrence of the City Attorney, is authorized to negotiate and execute documents necessary to effectuate the purpose and intent of this Ordinance.

SECTION 4. The amount of \$500,000.00 is appropriated for this Ordinance in Fund 29006004, Cost Center 0742000001, General Ledger 5201040 and the Fiscal Year 2016 budget is amended to reflect change.

SECTION 5. Payment not to exceed the budgeted amount is authorized and should be encumbered with a purchase order.

SECTION 6. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. This ordinance shall become effective immediately upon its passage by eight (8) votes and ten days after its passage by less than eight (8) affirmative votes.

PASSED AND APPROVED this 17th day of December, 2015.

Ivy R. Taylor

M

APPROVED AS TO FORM:

Martha G. Sepeda Acting City Attorney

| Agenda Item: | 4C (in consent vote: 4A, 4B, 4C, 4D, 4E) |
|--------------|---|
| Date: | 12/17/2015 |
| Time: | 10:31:43 AM |
| Vote Type: | Motion to Approve |
| Description: | An Ordinance authorizing the Public Facility Corporation to enter into a Soccer Stadium Facility Lease Agreement with SA FC for a term of 20 years at an annual rental amount of \$100,000.00; authorizing a \$500,000.00 contribution from the City to the Public Facility Corporation to be used for Public Facility Corporation approved deferred maintenance and facility standard upgrades at Toyota Field, such contribution being contingent upon a \$1 million contribution towards deferred maintenance and facility standard upgrades to Toyota Field from SA FC and a \$500,000.00 contribution from the County for deferred maintenance of the STAR Soccer Complex; approving the negotiation and execution of ancillary documents necessary to lease Toyota Field to SA FC, including a provision providing reimbursement to City and County of a combined \$5 million should no MLS franchise be awarded. |
| Result: | Passed |

| Voter | Group | Not Present | Yea | Nay | Abstain | Motion | Second |
|--------------------|-------------|----------------|-----|-----|---------|--------|--------|
| Ivy R. Taylor | Mayor | | х | | | | |
| Roberto C. Treviño | District 1 | | x | | | | |
| Alan Warrick | District 2 | | х | | | | |
| Rebecca Viagran | District 3 | | x | | | | |
| Rey Saldaña | District 4 | | x | | | | , |
| Shirley Gonzales | District 5 | | x | | | | |
| Ray Lopez | District 6 | | x | | | | X |
| Cris Medina | District 7 | | х | | | | |
| Ron Nirenberg | District 8 | | х | | | | |
| Joe Krier | District 9 | | х | | | | |
| Michael Gallagher | District 10 | | х | | | х | |

SOCCER STADIUM FACILITY LEASE AGREEMENT

SABC SOCCER PFC

AND

SA FC MANAGEMENT, LLC

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SOCCER STADIUM FACILITY LEASE AGREEMENT

This Soccer Stadium Facility Lease Agreement (this "Agreement") is entered into to be effective as of the Effective Date (as defined below) by and between SABC Soccer PFC, a public facilities corporation of the State of Texas ("PFC"), duly created, organized and incorporated by the City of San Antonio (the "City") and Bexar County, Texas (the "County", and together with the City, the "Sponsors"), pursuant to the provisions of the Constitution of the State of Texas and under the provisions of the Texas Public Facility Corporation Act, as amended, codified as Chapter 303, Texas Local Government Code and the Texas Interlocal Corporation Act, as amended, codified as Chapter 791, Texas Local Government Code, and SA FC Management, L.L.C., a Texas limited liability company ("Lessee"), acting by and through its duly authorized agent. PFC and Lessee are individually referred to herein as a "Party" and collectively the "Parties".

Introduction

- A. PFC is authorized to act on behalf of the Sponsors for the purpose of (a) financing public facilities of the Sponsors, (b) acquiring, constructing, rehabilitating, renovating, repairing, equipping, furnishing, and placing in service public facilities of the Sponsors, and (c) issuing bonds on behalf of the Sponsors to finance the costs of public facilities;
- B. PFC, the Sponsors and Lessee agree that a major multipurpose sports and entertainment complex, comprised of soccer fields and a soccer stadium, that is capable of retaining and supporting professional as well as amateur sports teams and attracting major national sporting events will enhance the profile of the City and County and provide benefits to the general public;
- C. In accordance with the foregoing, the City and the County each authorized the funding, for the benefit of PFC, of Nine Million and No/100 Dollars (\$9,000,000.00) for the acquisition of the Leased Premises (as defined below) and Lessee funded Three Million and No/100 Dollars (\$3,000,000.00) in exchange for certain agreements on the part of seller for the Leased Premises, including an agreement not to compete with Lessee and its Affiliates;
- D. In connection with this Agreement, the City and Lessee entered into that certain Lease Agreement dated as of the Effective Date (the "STAR Lease"), relating to the regional sports complex commonly known as STAR Soccer Complex located adjacent to the Leased Premises; and
- E. As financial assurance to PFC and Sponsors for certain financial obligations of Lessee under this Agreement, San Antonio Spurs LLC, a Texas limited liability company d/b/a Spurs Sports & Entertainment ("Guarantor") has agreed to provide contemporaneously with this Agreement a Limited Guaranty (the "Guaranty").
- F. PFC and the Sponsors desire to lease to Lessee, and Lessee desires to lease from PFC the Leased Premises to manage, operate, develop and expand the Leased Premises all upon the terms and conditions provided herein.

Agreement

The purpose and intent of this Agreement is to pursue the establishment of a Major League Soccer (including any successor or substitute league or other entity which engages in professional soccer competition in a manner comparable to Major League Soccer as of the Effective Date) (collectively, "MLS") franchise in San Antonio and to have such franchise play its home games at the Stadium (as defined below). In order to carry out the intent of the parties as expressed above, and for and in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

ARTICLE I

GRANT OF LEASE AND DEFINITIONS

Section 1.01 <u>Definitions</u>. The following terms shall have the following meanings in this Agreement and any other capitalized term used herein but not defined in this <u>Section 1.01</u> shall have the meaning ascribed to such terms in the remainder of this Agreement:

"Additional Lessee Events" - shall have the meaning given to such term in Section 1.06(b).

"Advertising System" - shall have the meaning given to such term in Section 4.01.1.

"Affiliate" means a Person who (a) is directly or indirectly controlling, controlled by or under common control with, the specified Person; (b) the specified Person has the authority, through equity or otherwise, to exercise managerial control or otherwise make decisions with respect to such Person, or (c) is the general partner, officer, director, agent, non-financial institution trustee or fiduciary of the specified Person or of any Person described in clause (a) or (b).

"Applicable Law" means any present or future local, state or federal statute, law, rule, code, ordinance, rule, regulation, permit or order, or any judgment, decision, decree, injunction, writ, order or like action of any court, as the same may be amended from time to time or replaced. With respect to any obligation of Lessee hereunder, Applicable Law shall include, but not be limited to, the City Code, City Charter and the ordinances, rules and regulations of the County, but only to the extent uniformly applied and not specific to Lessee or the Leased Premises.

"Audit Documents" - shall have the meaning given to such term in Section 10.01.

"Baseline Stadium Condition" means the condition of the Leased Premises after completing the Deferred Maintenance.

"Blocked Days"- shall have the meaning given to such term in Section 2.01.

"Casualty" - shall have the meaning given to such term in Section 17.01.

"City" - shall have the meaning given to such term in the Opening Paragraph.

"<u>City Codes</u>" means all ordinances and codes from time to time adopted by the City and its agencies, departments, authorities and commissions, including, but not limited to, any building codes, fire or life safety codes, development codes and zoning ordinances.

"City Initial Facilities Contribution" means an amount equal to Five Hundred Thousand Dollars (\$500,000) contributed by the City to the Initial Facilities Fund.

"Community Events" - shall have the meaning given to such term in Section 1.05.

"Commencement Date" - shall have the meaning given to such term in Section 7.01.

"Confidential Information" - shall have the meaning given to such term in <u>Section</u> 10.06.

"Confidential Party" - shall have the meaning given to such term in Section 10.06.

"Consumer Price Index" means the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, San Antonio, Texas Average, All Items (1982 - 1984 = 100); provided that (i) in the event that the Consumer Price Index is not available for San Antonio, Texas but rather is only available for a larger geographical area, the next smallest geographical area which includes San Antonio, Texas shall be substituted as the Consumer Price Index and (ii) in the event the Consumer Price Index is discontinued, PFC and Lessee shall mutually agree upon comparable statistics on the purchasing power of the consumer's dollar in San Antonio, Texas as published at the time of said discontinuation by a responsible periodical of recognized authority.

"County" - shall have the meaning given to such term in the Opening Paragraph.

"County Initial Facilities Contribution" means an amount equal to Five Hundred Thousand Dollars (\$500,000) contributed by the County to the Initial Facilities Fund.

"CPI Increase" means the increase in the Consumer Price Index during the course of the preceding Lease Year expressed in a percentage and calculated by multiplying 100 times the fraction whose numerator is (i) the most current Consumer Price Index published and available on the date of calculation minus (ii) the Consumer Price Index published and available on the first day of the Lease Year immediately preceding the date of calculation (the "Base CPI"), and whose denominator is the Base CPI, but in no event shall the "CPI Increase" be less than zero. If at any time during the Lease Term any of the foregoing index is no longer published or is otherwise unavailable, PFC and Lessee shall mutually agree as to a substitute index or indices that are comparable or substantially similar to the index that is no longer available.

"Deferred Maintenance" means the maintenance and repair items mutually agreed

to by the Parties.

"Effective Date" shall have the meaning given to such term on the signature page of this Agreement.

"<u>Election Data Condition</u>" - shall have the meaning given to such term in <u>Section</u> 20.02.

"Election Tolling Date" - shall have the meaning given to such term in Section 20.02.

"Existing Equipment" means the equipment, furniture, supplies and fixtures identified on Exhibit A.

"Expansion Period" means the period commencing on the Commencement Date and ending on the last day of the 10th Lease Year of the Term.

"Expansion Period Alternate MLS Group Scenario" - shall have the meaning given to such term in Section 23.03.

"<u>Facilities Funds</u>" means, collectively, the Initial Facilities Fund, Capital and Maintenance Fund and Capital Reserve Fund.

"Facility Access Fee" - shall have the meaning given to such term in Section 9.05.

"Facility Equipment" - shall have the meaning given to such term in Section 1.02.

"Facility Standard" - shall have the meaning given to such term in Section 1.09.

"<u>Facility Standard Determination Date</u>- shall have the meaning given to such term in <u>Section 1.09</u>.

"FIFA" - shall have the meaning given to such term in Section 1.06(a).

"Force Majeure" means delays due to strikes, labor disputes, acts of God, shortages of labor or materials, governmental laws, regulations, or restrictions, or any other cause beyond that party's control.

"Franchise Fee Contribution" - shall have the meaning given to such term in Section 23.03.

"Goods and Effects" - shall have the meaning given to such term in Section 18.06.

"Guaranty" - shall have the meaning given to such term in Recital E.

"<u>Hartman</u>" means Gordon Hartman, an individual resident of the City of San Antonio.

"Hero Parking Area" - shall have the meaning given to such term in Section 1.10.

"Improvements" means any furniture, fixtures, equipment, improvements or structures constructed or installed in, to or at the Leased Premises, including, but not limited to, structural improvements, concession equipment, scoreboard, video systems, signage (whether electronic, rotational or fixed), internet systems (including Wi-Fi), distributed antennae systems, audio and visual communication systems, decorations, lighting, interior design, field and playing surfaces, seating, suites, lounges, bars, stage, sound systems, any upgrades to any of the foregoing, any construction work which enhances the Leased Premises, and any improvements which would be considered capital improvements by generally accepted accounting principles.

"Improvements and Maintenance Fund Budget" - shall have the meaning given to such term in Section 20.07.

"Initial Improvements Budget" - shall have the meaning given to such term in Section 20.06.

"Initial MLS Required Investment" - shall mean, collectively, the Lessee TF Purchase Price Contribution, the Lessee TF Maintenance Fund Contribution, the Franchise Fee Contribution, the Lessee Reimbursement Payments, and the Market Development Costs.

"Initial Term" - shall have the meaning given to such term in Section 7.01.

"<u>Large Soccer Event</u>" - shall have the meaning given to such term in <u>Section</u> 23.02.

"Lessee" - shall have the meaning given to such term in the Opening Paragraph.

"Lease Year" - shall have the meaning given to such term in Section 7.03.

"Leased Premises" - shall have the meaning given to such term in Section 1.04.

"<u>Lessee Event of Default</u>" - shall have the meaning given to such term in <u>Section</u> 18.01.

"Lessee Events" - shall have the meaning given to such term in Section 1.06.

"<u>Lessee Improvements</u>" - shall have the meaning given to such term in <u>Section</u> 8.07.

"Lessee Initial Facilities Fund Contribution" means an amount equal to One Million Dollars (\$1,000,000) contributed by the Lessee to the Initial Facilities Fund.

"<u>Lessee Reimbursement Payments</u>" - shall have the meaning given to such term in <u>Section 23.02</u>.

"<u>Lessee TF Maintenance Fund Contribution</u>" - shall have the meaning given to such term in <u>Section 23.02</u>.

- "<u>Lessee TF Purchase Price Condition</u>" shall have the meaning given to such term in Section 23.02.
- "<u>Lessee's Advertising</u>" shall have the meaning given to such term in Section 4.01.1.
- "<u>Lessee's MLS Expansion Contribution</u>" shall have the meaning given to such term in <u>Section 22.03</u>.
 - "License" shall have the meaning given to such term in Section 4.01.
 - "Luxury Suites" shall have the meaning given to such term in Section 6.01.
- "Market Development Costs" shall have the meaning given to such term in Section 23.02.
 - "MLS Expansion" shall have the meaning given to such term in Section 22.02.
- "MLS Expansion MOU" shall have the meaning given to such term in Section 20.01.
- "MLS Opportunity Condition" shall have the meaning given to such term in Section 20.01.
- "MLS Stadium Financing Election" shall have the meaning given to such term in Section 20.01.
 - "NASL" shall have the meaning given to such term in Section 1.06(a).
- "Non-Compete Parties" shall have the meaning given to such term in Section 23.01.
 - "Open Records Act" shall have the meaning given to such term in Section 10.06.
 - "Party" shall have the meaning given to such term in the Opening Paragraph.
- "Participate in Soccer" shall have the meaning given to such term in Section 23.01.1.
- "<u>Permitted Transfer</u>" shall have the meaning given to such term in <u>Section</u> 21.01.
 - "Permitted Use" shall have the meaning given to such term in Section 3.02.
- "Person" means any individual, trust, estate, partnership, joint venture, company, corporation, association, limited liability company, unincorporated organization or government or any agency or political subdivision thereof, or any other legal entity or business or enterprise.

- "PFC" shall have the meaning given to such term in the Opening Paragraph.
- "Reimbursement Period" shall have the meaning given to such term in Section 22.04.
- "Reimbursement Payment" shall have the meaning given to such term in <u>Section</u> 22.04.
 - "Renewal Term(s)" shall have the meaning given to such term in Section 7.02.
 - "Rental Fee" shall have the meaning given to such term in Section 9.02.
 - "Retention Period" shall have the meaning given to such term in Section 10.02.
- "SAFC Person" shall mean (i) Lessee, (ii) Guarantor, (iii) SA FC, L.L.C., or (iv) any other entity created and wholly owned by Lessee, Guarantor, or SA FC, L.L.C.
- "Scoreboard/Video System" shall have the meaning given to such term in Section 5.01.
- "SOAR" means Sports, Outdoor and Recreation (SOAR) Park, a Texas non-profit.
 - "STAR Lease" shall have the meaning given to such term in Recital D.
- "Soccer Club Events" shall have the meaning given to such term in Section 1.06(a).
 - "Soccer Events" shall have the meaning given to such term in Section 23.01.2.
 - "Soccer Team" shall have the meaning given to such term in Section 23.01.3.
 - "Sponsors" shall have the meaning given to such term in Recital E.
 - "Stadium" shall have the meaning given to such term in Section 1.03.
 - "Stadium Events" shall have the meaning given to such term in <u>Section 1.07</u>.
 - "STAR Soccer Complex" means the land and facilities as described on Exhibit D.
- "Stub Period" means the period commencing at the expiration of the Expansion Period and ending on the last day of the 13th Lease Year of the Term.
 - "TDLR" shall have the meaning given to such term in Section 8.03.
- "<u>Temporary Advertising</u>" shall have the meaning given to such term in <u>Section</u> 4.03.
 - "Term" shall have the meaning given to such term in Section 7.01.

"Ticket Sales" - shall have the meaning given to such term in Section 1.08.

"<u>USL</u>" - shall have the meaning given to such term in <u>Section 1.06(a)</u>

Section 1.02 <u>Grant of Lease</u>. PFC, in consideration of the rent to be paid and the other covenants and agreements to be performed by Lessee and upon the terms and conditions hereinafter stated, does hereby lease unto Lessee, (i) the Leased Premises and (ii) the Existing Equipment and any furniture, fixtures, equipment, inventory and other personal property located on or in the Leased Premises (collectively, the "<u>Facility Equipment</u>") commencing on the Commencement Date and ending on the last day of the Initial Term of this Agreement (as may be extended under the terms of this Agreement) unless sooner terminated as herein provided. Lessee has inspected the Leased Premises and agrees that there are no material defects and agrees to take the Leased Premises in an "AS-IS" condition with no expectation of any additional improvements except as particularly described in this agreement.

Section 1.03 <u>Stadium</u>. For the purposes of this Agreement, the term "<u>Stadium</u>" shall mean the soccer stadium known as Toyota Field immediately prior to the Commencement Date (and which may continue to be known as same) and located at 5106 David Edwards Drive in San Antonio, Bexar County, Texas.

Section 1.04 <u>Leased Premises</u>. For the purpose of this Agreement, the term "<u>Leased Premises</u>" shall mean the Stadium and the real property more particularly described on <u>Exhibit B</u> attached hereto and incorporated herein, and all buildings, improvements, and shall exclude the Facility Equipment. Separate agreements related to the lease and use of the STAR Soccer Complex shall be executed by Sponsor and Lessee and shall not be governed by the terms and conditions of this Agreement, including, but not limited, any right of the PFC with respect to Community Events as described in <u>Section 1.05</u> below.

Section 1.05 <u>Community Events</u>. "<u>Community Events</u>" shall mean up to ten (10) events benefitting the community scheduled by PFC in accordance with <u>ARTICLE II</u> in any Lease Year; *provided, however*, Community Events shall specifically exclude and the PFC shall not be permitted to hold any professional athletic or professional sporting events at the Leased Premises. Lessee shall provide to PFC event staff, box office personnel, ushers, security, housekeeping services, concessions and a scoreboard operator at Lessee's actual cost without mark-up or profit. PFC will pay for any damage to the Leased Premises that occur during or as a direct result of a Community Event, subject to <u>ARTICLE XVII</u> of this Agreement. In the event that any services for a Community Event are provided by Lessee's internal personal or staff, such services shall be paid at Lessee's cost for such personnel. The holder or producer of any Community Event shall be required to sign any license agreement or other use agreement reasonably required by Lessee to use its facility, including the provision of adequate security and applicable insurance for such event.

Section 1.06 <u>Lessee Events</u>. For the purposes of this Agreement, the term "<u>Lessee Events</u>" shall mean the following games and functions which are to be held by Lessee in the Stadium:

- (a) Professional soccer events, including, but not limited to, International Federation of Association Football ("<u>FIFA</u>"), United Soccer League ("<u>USL</u>"), North American Soccer League ("<u>NASL</u>") and MLS, pre-season, exhibition, regular season, post-season, championship and play-off game(s) (collectively, "<u>Soccer Club Events</u>"); and
- (b) Any other events which Lessee desires to hold at the Leased Premises, including, but not limited to, concerts, music events, athletic events, sporting events, entertainment events and festivals, convention related activities, trade shows and any other event permitted by applicable law ("Additional Lessee Events").
- Section 1.07 <u>Stadium Events</u>. "<u>Stadium Events</u>" shall mean all events conducted at the Leased Premises, including all Lessee Events and Community Events.

Section 1.08 <u>Ticket Sales</u>. "<u>Ticket Sales</u>" shall mean the total number of tickets sold under this Agreement for Stadium Events, all of which are subject to the Facility Access Fee set forth in <u>Section 9.04</u>. All Ticket Sales shall be subject to audit by PFC, as provided in <u>ARTICLE X</u>. Tickets provided but not sold for any Stadium Events in an effort to promote Lessee Events shall not be subject to the Facility Access Fee; provided however the number of tickets excluded from Lessee Events shall be recorded and reported to the PFC for each Lease Year.

Section 1.09 <u>Facility Standard</u>. "<u>Facility Standard</u>" shall mean (i) with respect to the provision of services and the operation of the Leased Premises, the same quality of the provision of services and operations provided by the operators of three (3) similarly situated minor league soccer venues to be agreed upon by the PFC and Lessee on or before October 1, 2016 ("<u>Facility Standard Determination Date</u>"), and (ii) with respect to the construction, maintenance or incorporation of Improvements, the Baseline Stadium Condition.

Section 1.10 Offsite Parking and Third Party Licenses. During the Term, PFC hereby grants to Lessee all of Lessor's right, title and interest in all parking rights in favor of PFC related to the parking areas shown on Exhibit C ("Hero Parking Area"). PFC agrees to use its best efforts to obtain (at Lessee's expense, if any) any necessary consents required from the owner of the Hero Parking Area as necessary to permit Lessee to use the Hero Parking Area as provided above. Until the expiration of the Term, Lessee shall have the right to execute any licenses or agreements related to the use or operation of the Leased Premises necessary to exercise its rights under this Agreement or to operate and maintain the Leased Premises.

ARTICLE II

EVENTS SCHEDULING

Section 2.01 <u>Scheduling of Lessee Events</u>. Scheduling of all Soccer Club Events shall take priority over any other event at the Stadium, including Community Events. Lessee shall have the right to reserve or "block off" certain dates or time periods which it reasonably believes may become scheduled events, such as playoff and special events dates ("<u>Blocked Dates</u>"). For

the purpose of event scheduling, Blocked Dates shall be deemed to be unavailable for Community Events.

Section 2.02 Scheduling of Community Events. PFC shall retain the right to schedule and host Community Events, subject to the dates in question not being scheduled, Blocked Dates, or proposed to be scheduled at the time that PFC makes such request to Lessee. PFC shall have the right to the use of the Leased Premises for Community Events at no cost to PFC, except PFC shall pay Lessee for any services provided directly or indirectly by Lessee. Except as otherwise agreed to by the Parties, PFC may schedule Community Events by providing Lessee no more than ninety (90) or less than thirty (30) days prior written notice of any Community Event. Once Lessee and PFC agree to the date and time of a Community Event by written confirmation, Community Events shall take priority over other events.

Section 2.03 <u>Cooperation</u>. PFC and Lessee shall work together to address any scheduling conflicts and to maximize the use of the Stadium.

ARTICLE III

USE

Section 3.01 <u>Use</u>. Lessee shall use the Leased Premises solely for the Permitted Use specified herein and for no other business or purpose without the prior written consent of PFC, such consent not to be unreasonably withheld, conditioned or delayed. Subject to Force Majeure, Lessee agrees to use commercially reasonable efforts to host at least five (5) Soccer Club Events at the Leased Premises on an annual basis. Lessee hereby agrees that no activity, performance, exhibition or entertainment (attraction) shall be given or held or take place in the Leased Premises which is dangerous to the public, illegal, indecent, obscene, or lewd.

- Section 3.02 <u>Permitted Uses</u>. For the purposes of this Agreement, the term "<u>Permitted Use</u>" shall mean the following and all incidental uses related thereto:
 - 3.02.1 Lessee Events;
 - 3.02.2 General office and administrative use; and
 - 3.02.3 Such other purposes and uses as are necessary to carry out the purpose and intent this Agreement.

ARTICLE IV

ADVERTISING, MARKETING, MEDIA AND SPONSORSHIP RIGHTS

Section 4.01 <u>License</u>. PFC, for and in consideration of the mutual covenants herein contained to be kept, performed and observed by Lessee, does hereby grant to Lessee and its Affiliates, subject to the rights reserved by PFC in <u>Section 4.03</u>, for the Term of this Agreement, an advertising, marketing, media (in any form and whether existing today or not), sponsorship, exclusivity and concession license (collectively, the "<u>License</u>") as follows:

- 4.01.1 To have the sole and exclusive right to market, sell, install and maintain display advertising space in or on areas designated from time to time by Lessee (the "Advertising System") to sponsors or any other Person ("Lessee's Advertising"). Lessee shall be responsible for all costs related to or associated with the marketing, installation and maintenance of the Advertising System.
- 4.01.2 In addition to display advertising, the Lessee shall have the right and license to use the Leased Premises for selling advertising, promotional, sponsorship, activation and marketing programs subject to the terms of this Agreement.
- 4.01.3 To sell, lease, license, publish, authorize and grant concessions and enter into agreements with respect to all media, means, technology, distribution channels or processes for preserving, transmitting, disseminating or reproducing for hearing or viewing Lessee Events and descriptions or accounts of or information with respect to Lessee Events, whether or not such means, form or technology is in existence today or not.
- 4.01.4 To contract for the operations of concessions and catering operations at the Stadium for the sale of concessions.
- 4.01.5 Upon the termination of this Agreement, for any reason, the License granted to Lessee hereunder shall cease effective as of the date of such termination.
- Section 4.02 <u>Compliance with Construction Regulations and Termination</u>. Lessee agrees that all advertising panels will be constructed and installed in accordance with the applicable construction regulations and that all advertising contracts with third parties for the Stadium will terminate automatically upon termination of this Agreement.
- Section 4.03 Temporary Advertising for PFC Events. It is understood that the License in this Agreement are for all events held at the Stadium and shall be in effect for the duration of this Agreement. However, PFC retains the right to allow, and Lessee agrees to allow, other lessees and licensees to place temporary advertising in or around the Stadium for Community Events scheduled in the Stadium ("Temporary Advertising") so long as such Temporary Advertising does not violate any naming, advertising, sponsorship or exclusivity agreements entered into by Lessee or its Affiliates with respect to the Leased Premises, including, but not limited to the Naming Rights and Sponsorship Agreement dated July ___, 2012 with Gulf States Toyota, Inc., a Texas corporation. PFC shall be entitled to retain any revenues generated from the sale of such Temporary Advertising. PFC agrees that such Temporary Advertising may not cover any of Lessee's Advertising during Community Events scheduled in the Stadium. The term "Temporary Advertising" shall include all forms of advertising copy including but not limited to, (i) hard print; (ii) matrix copy; (iii) visual "spot copy"; (iv) messages and video broadcast on the Scoreboard/Video System and on the Stadium sound system; and (v) signs, banners and displays.
- Section 4.04 <u>License Revenues</u>. Lessee and its Affiliates shall receive all gross revenues generated from the License (and all contracts or agreement entered into in connection

with the rights granted under the License), other than the Temporary Advertising rights retained by PFC in Section 4.03.

ARTICLE V

SCOREBOARD/VIDEO SYSTEM

- Section 5.01 <u>Scoreboard/Video System</u>. The term "Scoreboard/Video System" shall mean:
 - 5.01.1 The (i) scoreboard panels; (ii) all components (including control panels and computers); (iii) all replacements, enhancements and upgrades; and (iv) any video screens or panels.
- Section 5.02 <u>Scoreboard/Video System Installation and Maintenance</u>. Lessee agrees that it will be responsible for, and will provide, at its sole cost and expense, the following:
 - 5.02.1 The Scoreboard/Video System, together with all installation, maintenance and repair (but not upgrade);
 - 5.02.2 All electricity and other utility services utilized by Lessee in the operation of the Scoreboard/Video System; and
 - 5.02.3 Qualified personnel to operate the Scoreboard/Video System during all Stadium Events.
- Section 5.03 <u>Scoreboard/Video System Operation</u>. Lessee shall be responsible for the operation of the Scoreboard/Video System during all Stadium Events.
- Section 5.04 <u>Prohibited Uses</u>. It is expressly understood that the Scoreboard/Video System may not be used in any way to promote or attack any candidate for public office of the City or County or any public issue with respect to the City or County, whether partisan or non-partisan.
- Section 5.05 Repair and Replacement. Lessee agrees to assume all liability for the repair or replacement of the Scoreboard/Video System in the event any portion of it is damaged or destroyed by (i) Lessee's negligent operation or maintenance of the Scoreboard/Video System, or (ii) any party attending or participating in a Lessee Event and PFC shall assume all liability for the repair or replacement for any damage or destruction to the Scoreboard/Video System in the event it occurs during a Community Event and is not the result of Lessee's negligence. Further, Lessee hereby agrees to maintain adequate insurance coverage to replace the Scoreboard/Video System, or any part thereof, in the event of damage or loss thereto and, in the event of such damage or loss, Lessee agrees to promptly repair or replace such portion of the Scoreboard/Video System to at least the quality of the Scoreboard/Video System before such damage or loss as soon as is reasonably possible. Unless the damage to the Scoreboard/Video System occurs during a Community Event and is not due to the negligence of Lessee (including in connection with its operation), PFC has no obligation to replace any portion of Scoreboard/Video System or make such repair or replacement. The obligations of PFC and

Lessee under this <u>Section 5.05</u> shall include any upgrades necessary in connection with the replacement of the Scoreboard/Video System due to the prior system no longer being subject to replacement.

Section 5.06 <u>Transfer of Scoreboard/Video System</u>. Upon the termination of this Agreement, Lessee will convey its interest in the Scoreboard/Video System (or any replacement thereof necessitated by wear, damage or a product upgrade) to PFC by a Bill of Sale in a form reasonably satisfactory to Lessee and PFC (but in all events without warranty or representation of any kind other than to be free and clear of any monetary liens or encumbrances) (i) executed by a duly authorized representative of Lessee; and (ii) conveying the Scoreboard/Video System (and any replacements thereof).

Section 5.07 <u>Acquisition of New Scoreboard/Video System</u>. Although there is no obligation to acquire a new scoreboard/video system for the Stadium, should Lessee determine it is in the best interest to do so, it may purchase a new scoreboard/video system at any time during the Term.

ARTICLE VI

LUXURY SUITES

- Section 6.01 <u>Designation of Luxury Suites</u>. PFC hereby grants to Lessee, and Lessee hereby accepts from PFC with respect to the existing luxury suites and any luxury suites which are constructed in the Stadium during the Term ("<u>Luxury Suites</u>") the sole and exclusive right to market the Luxury Suites upon the terms of this <u>ARTICLE IV</u>.
- Section 6.02 <u>Marketing Terms</u>. The Lessee's right to market the Luxury Suites, as set out in <u>Section 6.01</u> hereof, is granted subject to the following terms:
 - 6.02.1 Lessee shall have the right to market the Luxury Suites only during the Term of this Agreement, and upon the termination of this Agreement, for any reason, Lessee's rights granted in this <u>ARTICLE IV</u> shall cease effective as of the date of such termination.
 - 6.02.2 Except as otherwise agreed to by the Parties, Lessee agrees to market the Luxury Suites in strict compliance with the following:
 - (a) The users of the Luxury Suites shall be licensees of Lessee's Affiliate.
 - (b) The licensees of the Luxury Suites shall be entitled to use the Luxury Suites only for Lessee Events scheduled in the Stadium.
 - (c) All tickets for suite admissions are subject to the Facility Access Fee set forth in Section 9.05.
- Section 6.03 <u>Luxury Suite Revenues</u>. Lessee shall retain all revenues generated from its marketing of Luxury Suites.

ARTICLE VII

TERM

Section 7.01 <u>Term</u>. The initial term of this Agreement shall be for a period of twenty (20) years commencing on the Effective Date (the "<u>Commencement Date</u>") and terminating on September 30, 2035 ("<u>Initial Term</u>" and together with any Renewal Terms, the "<u>Term</u>").

Section 7.02 Option to Extend Term. The parties, upon their mutual agreement, shall have the option to extend the Initial Term of this Agreement for three (3) additional periods of ten (10) years each (collectively, the "Renewal Terms" and individually a "Renewal Term"). Should the Parties mutually agree to a Renewal Term, this Agreement shall continue on upon the same terms and conditions as are set forth herein with respect to the Initial Term or such other terms as may have been negotiated by the Parties in connection with the agreement to enter into any Renewal Term. Either Lessee or PFC shall notify the other in writing no later than twelve (12) months before the date of expiration of the Initial Term or the existing Renewal Term of its desire to extend the Term as provided. Notwithstanding the foregoing, in the event that at the expiration of the Term, Lessee's soccer club is still participating in league sanctioned play, Lessee shall be entitled to extend the Term, at its sole election and upon delivery of written notice no later than sixty (60) days prior to the expiration of the Term, for up to an additional three (3) months for the sole purpose of allowing Lessee to continue to hold its league sanctioned home games (whether regular season or playoffs) and to permit Lessee adequate time after the conclusion of its soccer club's home games to prepare the Leased Premises for delivery to PFC in accordance with the requirements of this Agreement.

Section 7.03 <u>Lease Year</u>. The term "<u>Lease Year</u>" means a twelve (12) month period commencing on October 1st and ending on the following September 30th during the Term of this Agreement. The first Lease Year shall commence on the Commencement Date and end on the first September 30th thereafter.

Section 7.04 <u>Cross-Termination</u>. In the event the STAR Lease is terminated, either party may terminate this Agreement upon Three Hundred (300) days' notice to the other party, whereupon the rights and obligations contained herein shall automatically terminate and be of no further force and effect. In the event the PFC does not exercise its right to terminate this Agreement within 180 days following the termination of the STAR Lease, the PFC's termination right pursuant to this <u>Section 7.04</u> shall terminate and be of no further force and effect.

ARTICLE VIII

LESSEE AND PFC RESPONSIBILITIES

- Section 8.01 <u>Lessee's Responsibilities</u>. Lessee shall be responsible for the following:
- 8.01.1 <u>Utilities</u>. Lessee shall pay for the cost of all electric, gas, water and other utilities used at the Leased Premises, other than non-potable water which will be provided to Lessee by the PFC at no cost so long as the PFC has rights to the water source that currently is the source of water for Hartman Lake (as defined in the STAR Lease).

- 8.01.2 <u>Cleaning</u>. Lessee shall be responsible for all housekeeping at the Leased Premises and shall be responsible for the provision of all related supplies. Lessee shall maintain the Leased Premises in condition consistent with the Facility Standard and shall comply with all applicable sanitary and health regulations. The responsibility for housekeeping shall include general cleaning and event cleaning.
- 8.01.3 Field and Grounds Keeping. Lessee shall maintain the field playing surface in the Stadium consistent with the Facility Standard; provided that if Lessee chooses to replace the field playing surface in the Stadium with an artificial turf, such determination to be within Lessee's sole and absolute discretion, then Lessee shall maintain such surface as required by the governing body of the professional soccer organization in which Lessee's professional soccer team is a participant. Upon the request of the PFC, Lessee shall provide to the PFC a maintenance schedule reflecting the maintenance of the field playing surface in accordance with the Facility Standard.
- 8.01.4 <u>Stadium Management</u>. Lessee shall provide all related staff necessary to provide the services and operate the Stadium consistent with the Facility Standard. Lessee shall be responsible for and shall have the sole and exclusive right with respect to the day-to-day operations and management of the Stadium, as provided for in this Agreement.
- Section 8.02 <u>Security</u>. Lessee shall be responsible for the provision of security at the Leased Premises to include Stadium Event and non-event days.
- Section 8.03 <u>Elevator Service</u>. Lessee shall be responsible for maintaining an elevator maintenance agreement as required by the Texas Department of Licensing and Regulations ("<u>TDLR</u>") and shall provide for annual inspections and permitting of such elevators by TDLR.
- Section 8.04 <u>Maintenance</u>. Lessee shall be responsible for Maintenance as required by ARTICLE XX.
- Section 8.05 <u>Concessions</u>. Lessee shall be responsible for and shall have the sole and exclusive control of all food, beverage and retail concessions at the Leased Premises. PFC, at Lessee's cost, shall cooperate with Lessee to ensure that all outstanding concession agreements related to the Leased Premises have been terminated
 - 8.05.1 <u>Product Quality</u>. Lessee agrees that all food, drinks, beverages, confectionery refreshments or other refreshments which are sold or kept for sale pursuant to this Agreement shall conform in all respects to Applicable Laws.
 - 8.05.2 <u>Alcoholic Beverages</u>. Alcoholic beverages are to be offered for sale by Lessee to the extent permitted by Applicable Law. Final decision as to whether or not alcoholic beverages may be sold at any Community Event shall be the sole discretion of PFC. The decision to serve or refuse service of alcoholic beverages at any Stadium Event to any individual shall be the sole responsibility of Lessee.
- Section 8.06 Quality of Services. During the Term, Lessee shall manage and maintain the Leased Premises in a manner consistent with the Facility Standard.

Section 8.07 <u>Lessee Improvements</u>. Lessee shall have the right to make any and all Improvements Lessee desires to the Leased Premises which are consistent with or otherwise exceed the Facility Standard ("<u>Lessee Improvements</u>").

Section 8.08 Ownership of Lessee Improvements. All Lessee Improvements (other than any Goods and Effects (as defined below) that Lessee desires to retain, in its sole discretion) shall become the property of PFC upon the termination of this Agreement without warranty or representation of any kind. The transfer of the Lessee Improvements shall be governed by Section 5.06 of this Agreement.

Section 8.09 <u>Community Event Costs</u>. PFC shall pay Lessee for all services provided by Lessee at all Community Events as provided in <u>Section 1.05</u>.

Section 8.10 <u>PFC Responsibilities</u>. PFC shall use commercially reasonable efforts (at Lessee's expense) to facilitate the availability to the Leased Premises of all utilities necessary to operate the Leased Premises, including, but not limited to, water (potable and irrigation), electricity, gas, fiber optic, telephone and sanitary sewer on an uninterrupted bases and in such amounts as necessary for the Permitted Use. Additionally, the PFC and Sponsors shall reasonably assist Lessee with obtaining any necessary consents, filings, permits or other agreements that are necessary to cause all such utilities to be provided to the Leased Premises as contemplated herein, including without limitation, facilitating any necessary agreement with San Antonio Water System with respect to the potable water source located on adjacent property currently owned by SOAR.

Section 8.11 <u>Unavailability of Utilities</u>. Notwithstanding anything stated herein to the contrary, in the event that the water source that is the source of water for Hartman Lake on the Commencement Date becomes unavailable or inadequate to provide non-potable water to the Leased Premises ("<u>Water Source Interruption</u>"), the Lessee shall not be deemed to be in default of any of its maintenance obligations pursuant to this Agreement until such water source becomes available. Additionally, in the event of a Water Source Interruption, the PFC and the Lessee shall use commercially reasonable efforts to cure the Water Source Interruption.

ARTICLE IX

REVENUES

Section 9.01 Rent Obligation. Subject to the terms hereof, the obligation of Lessee to pay rent is an independent covenant, and no act or circumstance whatsoever, whether such act or circumstance constitutes a breach of covenant by PFC or not, shall release Lessee of the obligation to pay rent and fees.

Section 9.02 <u>Rental Fee</u>. Lessee agrees to pay as rental for the use and occupancy of the Leased Premises, as provided under this Agreement, a rental fee equal to One Hundred Thousand Dollars (\$100,000.00) each Lease Year subject to the annual escalator described below (as increased each Lease Year, the "<u>Rental Fee</u>").

Section 9.03 <u>Rental Fee Escalation</u>. On the first day of each Lease Year after the first Lease Year and on a cumulative, compounding basis for the remainder of the Term, the Rental Fee shall increase by a percent equal to the CPI Increase.

Section 9.04 <u>Use of Rental Fee</u>. The Rental Fee shall be deposited by the PFC in the Improvements and Maintenance Fund and the Capital Reserve Fund as set forth in <u>Section 20.07</u> and <u>Section 20.08</u>.

Section 9.05 Facility Access Fee. During the Term, Lessee shall be responsible for collecting an amount equal to \$1.25 (the "Facility Access Fee") required to be charged on every paid ticket (including Luxury Suites) and depositing fifty percent (50%) of such fee into the (a) Improvements and Maintenance Fund pursuant to Section 20.07 below and (b) Capital Reserve Fund pursuant to Section 20.08 below, no later than the tenth (10th) day of the month following the applicable Stadium Event. The Facility Access Fee shall be increased by twenty five cents (\$. 25) every seventh (7th) year of the Initial Term (i. e. at the end of year 7 and 14 of the Initial Term).

Section 9.06 Rental Payments - Due Date. The Rental Fee shall be payable by Lessee to the PFC in arrears on or before September 30th of each Lease Year during the Term of this Agreement.

Section 9.07 <u>Late Charge</u>. In the event Lessee fails to pay to PFC any Rental Fee or Reimbursement Payment (as defined below) on the required dates, then Lessee agrees to pay to PFC, as additional rent, a late charge equal to ten percent (10%) per annum based on the unpaid amount commencing on the date that the Rental Fee is due until such time as it is paid.

Section 9.08 <u>Stadium Event Revenue</u>. Lessee shall retain all gross revenues of any kind for all Stadium Events, including but not limited to, Ticket Sales, parking, sponsorship, advertising and concessions, subject to <u>Section 9.04</u>, above; *provided, however*, PFC shall be entitled to fifteen percent (15%) of all food and beverage concession gross revenues for food and beverage sold by Lessee or its concessionaire at Community Events.

ARTICLE X

RECORDS AND AUDITS

Section 10.01 Records. Lessee shall properly, accurately and completely maintain all documents, papers, and records, and other evidence pertaining solely to Ticket Sales and Lessee's maintenance and improvement expenditures to the Leased Premises as required pursuant to this Agreement and the STAR Soccer Complex pursuant to the STAR Lease (hereafter referred to as "Audit Documents") and shall make the Audit Documents available to PFC at Lessee's offices, during normal business hours and upon reasonable prior notice, and as reasonably often as PFC may deem necessary during the Term, and the record Retention Period established herein, but in any event no more than once per Lease Year, for purposes of audit, inspection, examination, and making excerpts or copies of same by PFC and any of its authorized representatives.

Section 10.02 <u>Retention</u>. Lessee shall retain the Audit Documents for a period of four (4) years (hereafter referred to as "<u>Retention Period</u>") from the date of the expiration or termination of this Agreement. If, at the end of the Retention Period, there is litigation or other questions arising from, involving or concerning the Audit Documents, Lessee shall retain the Audit Documents until the resolution of such litigation or such other questions. PFC may, at its election and expense, require Lessee to provide copies of the Audit Documents to PFC prior to or at the conclusion of said Retention Period.

Section 10.03 <u>Records Request</u>. Lessee shall notify PFC, immediately, in the event Lessee receives any requests for PFC information from a third party which pertain to the Audit Documents. PFC will handle and process all such requests in accordance with <u>Section 10.07</u> below.

Section 10.04 <u>Audits</u>. PFC at its expense, if it so elects, may require that the Audit Documents be submitted for audit to PFC staff or a certified public accountant of national standing to be selected by PFC.

Section 10.05 No Access Other than to Audit Documents. Nothing in this ARTICLE X or in this Agreement shall give PFC any right to receive any documents of any kind from Lessee related to Lessee, its Affiliates or the Leased Premises other than the Audit Documents.

Section 10.06 <u>Confidential Information</u>. Lessee, County, City and the PFC ("<u>Confidential Party</u>"), shall not disclose Confidential Information to a third party (other than the Confidential Parties' employees, public officials of the City of San Antonio, Texas, Bexar County, Texas and their respective counsel, accountants or advisors who have a need to know such information and have agreed to keep such terms confidential) except in order to comply with any legal requirements, including the Texas Open Records Act (Tex. Gov't Code Ann. § 552.001 et seq.) or equivalent or successor statute (the "<u>Open Records Act</u>"), or in connection with any court or regulatory proceeding, subject to <u>Section 10.07</u>.

The term "Confidential Information" means all information, written or oral, that has been or is disclosed by a Confidential Party or which otherwise becomes known to a Confidential Party, which (a) relates to matters such as proprietary information, development activities, information made confidential by law, commercial or financial information, information related to the location or price of property, draft or final contracts or other business arrangements, pricing information, private processes, and other similar information, as they may exist from time to time, or (b) the disclosing Confidential Party expressly designates in writing to be confidential.

Notwithstanding the foregoing, Confidential Information shall exclude information falling into any of the following categories:

(a) Information that, at the time of disclosure hereunder, is in the public domain, other than information that entered the public domain by breach of this Agreement;

- (b) Information that, after disclosure hereunder, enters the public domain, other than information that enters the public domain by breach of this Agreement;
- (c) Information, other than that obtained from third parties, that prior to disclosure hereunder, was already in the Confidential Party's possession, either without limitation on disclosure to others or subsequently becoming free of such limitation; and
- (d) Information that is available through independent research without use of or access to the Confidential Information.

Section 10.07 Open Records Act Request Response Procedure. To the extent applicable to the County, City and the PFC, if any Person requests the County, City and the PFC to disclose any information with respect this Agreement under the Open Records Act, prior to making such disclosure, the County, City and the PFC, as applicable, shall notify the Lessee of such request, in which case the Lessee shall promptly and timely inform the County, City and the PFC, as applicable, if any of the requested materials constitute Confidential Information of the Lessee which may be exempted from disclosure under the Open Records Act, and, in that event, each Confidential Party shall use reasonable efforts to cooperate with the other in preparing appropriate responses and/or filings to the Texas Attorney General and to any such person with respect to such request, including any appeals involved therein, to prevent a disclosure of such information. In such event, each applicable Confidential Party shall further cooperate with the other and use reasonable efforts to promptly identify any possible third party whose privacy or property interests may be implicated by any such request to disclose information in order to enable the Lessee to timely furnish to any such third party any statutory notice required by the Open Records Act and seek any applicable exemptions from disclosure under the Open Records Act. Unless otherwise compelled by Court order, the County, City and the PFC, as applicable, shall use its reasonable efforts to protect Confidential Information of the Lessee as to which the Lessee requests the PFC to do so. All reasonable and necessary costs associated with the County, City and the PFC's, as applicable, cooperation with the Lessee hereunder in connection with any proceedings following any determination rendered by the Attorney General of the State of Texas that is adverse to the Lessee on this subject shall be borne by the Lessee, and the County, City and the PFC, as applicable, shall be fully reimbursed for any of such costs it has incurred including, but not limited to, reasonable attorney's fees.

ARTICLE XI

PARKING

Section 11.01 <u>Parking Operations</u>. Lessee shall be responsible for the management and operation, and shall have the sole and exclusive control of the parking facilities located at the Leased Premises during all Stadium Events.

Section 11.02 <u>Parking Revenues</u>. Parking revenues shall be distributed according to Section 9.07.

Section 11.03 <u>Liability</u>. PFC shall not be liable for any theft or damage of any nature to vehicles or contents of vehicles on the Leased Premises.

Section 11.04 <u>Parking Licenses</u>. Lessee is authorized to license the use of the parking facilities on the Leased Premises, whether existing now or at any time in the future, to the Hartman, SOAR any of their respective Affiliates or any owner of any property adjacent to or in the immediate vicinity of the Leased Premises.

ARTICLE XII

LAWS AND ORDINANCES

Section 12.01 <u>Compliance</u>. Lessee agrees to promptly comply with all Applicable Laws which affects Lessee or its use of the Leased Premises, business conducted therein, and operations in connection with this Agreement. Such compliance shall also refer to the (i) the cleanliness and safety of the Leased Premises and (ii) all City and County environmental ordinances and State and Federal environmental laws, orders, directives, rules, and regulations. Notwithstanding anything herein to the contrary, any such compliance with any Applicable Laws enacted by Sponsors or their Affiliates shall only be required to the extent such laws are uniformly adopted to affect more than just the Leased Premises or Lessee or its Affiliates.

Section 12.02 <u>Insurance Requirements</u>. Lessee agrees to comply with all regulations and requirements of any insurance underwriter, inspection bureau, or similar agency, with respect to the Leased Premises. Lessee specifically covenants to comply with all rules and regulations of the local Board of Fire Underwriters occasioned by or required in the conduct of Lessee's business.

ARTICLE XIII

RULES AND REGULATIONS

Section 13.01 <u>Rules and Regulations</u>. Lessee covenants and agrees that Lessee and its employees will comply, and that Lessee will use commercially reasonable efforts to cause its invitees to comply, with the following rules and regulations:

- 13.01.1 Lessee shall not injure, overload or deface the Leased Premises; cause or permit the emission of any excessive noise or odor from the Leased Premises or Stadium by the operation of any instrument, apparatus, or equipment therein which would violate any noise abatement ordinances of Sponsors; nor perform any act or carry on any practice which is illegal, immoral or disreputable.
- 13.01.2 Lessee shall not cause the undue obstruction of public streets or sidewalks.
- 13.01.3 The outside areas immediately adjoining the Leased Premises, including sidewalks, shall be kept free and clear at all times by Lessee and Lessee shall not place or permit any obstructions, garbage, refuse, merchandise or displays in such areas. In the event that any violation of this requirement is not corrected on demand, PFC

shall have the right, without the obligation for prior notice, to remove any such obstructions, garbage, refuse, merchandise or displays without liability therefor.

- 13.01.4 PFC reserves the right, in time of disaster, to use the Stadium, or portions thereof, for shelter purposes, during which times, the Lessee's privileges shall not be in effect in the areas so used for emergency shelter purposes and PFC will have no liability to Lessee whatsoever, but shall pay all expenses related to such use, including costs of maintaining the Leased Premises during PFC's use and returning the Leased Premises to the same condition as existed prior to PFC's use.
- Premises, or any portion of the Stadium, during the term of this Agreement, are damaged, Lessee will restore the Leased Premises to, at a minimum the Baseline Stadium Condition or, to the extent insurance proceeds are available, the condition existing immediately prior to such damage. Except as provided in Section 13.01.6 below, Lessee hereby assumes full responsibility for the character, acts and conduct of all persons admitted to said Leased Premises by Lessee, or to any portion of said building with the consent of Lessee's employees or any person acting for or on behalf of Lessee.
- 13.01.6 If the Leased Premises, or any portion of the Stadium, during the term of this Agreement, are damaged by the act or negligence of PFC, or PFC's agent, or employees, patrons, guests or any Person invited to the Leased Premises by PFC, including the patrons of any Community Event, or other attraction or function of PFC, PFC will pay Lessee, upon demand, such sum as shall be necessary to restore the Leased Premises to the condition that existed immediately prior the such damage, to the extent that such damage is not covered by insurance that is required to be obtained by Lessee under this Agreement. PFC hereby assumes full responsibility for the character, acts and conduct of all persons invited to said Leased Premises by PFC, or to any portion of said building with the consent of PFC's employees or any person acting for or on behalf of PFC. Any such restoration or repairs are subject to budgetary appropriations by the Sponsors.
- 13.01.7 Lessee will bear the responsibility of all its own personal property in the Leased Premises and all such personal property shall be placed on the Leased Premises at the sole risk of Lessee.

ARTICLE XIV

INSURANCE

Section 14.01 <u>Insurance Requirements</u>. Any and all employees, representatives, agents or volunteers of Lessee while engaged in the performance of any work to the Leased Premises under this Agreement shall be considered employees, representatives, agents or volunteers of Lessee only and not of PFC. Any and all claims that may result from any obligation for which Lessee may be held liable under any Workers' Compensation, Unemployment Compensation or Disability Benefits law or under any similar law on behalf of said employees, representatives, agents or volunteers shall be the sole obligation and responsibility of Lessee.

Section 14.02 <u>Insurance Certificates</u>. Prior to the commencement of any work under this Agreement, Lessee shall furnish a completed Certificate(s) of Insurance to PFC, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverage, limits, and termination provisions shown thereon, and which shall furnish and contain all required information reference or indicated thereon.

Section 14.03 <u>Change to Insurance Policy Requirements</u>. No more frequently than once every five (5) Lease Years during the Term, PFC shall have the right to review the amount of commercial general liability insurance requirement provided for in this Section and to request that such coverage be increased in the event, and solely in the event, that such increase is deemed reasonably necessary and prudent by PFC based upon changes in statutory law, court decisions or circumstances surrounding this Agreement; *provided* that in no event shall the amount of such liability coverage exceed the amount carried at similarly situated venues in the State of Texas.

Section 14.04 <u>Policies</u>. Lessee shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Lessee's sole expense, insurance coverage written, on an occurrence basis, by companies authorized and admitted to do business in the State of Texas and rated A-or better by A.M. Best Company and/or otherwise reasonably acceptable to PFC, in the following types and amounts:

| ТҮРЕ | AMOUNT |
|--|---|
| Workers' Compensation and Employers Liability* | Statutory \$1,000,000/\$1,000,000/\$1,000,000 |
| Commercial General (Public) Liability Insurance to include coverage for the following: | For Bodily Injury and Property Damage of \$1,000,000 per occurrence \$5,000,000 general aggregate or its equivalent in umbrella or excess liability coverage, per location. |
| a. Premises/Operations | |
| b. Independent Contractors | · |
| c. Broad Form Contractual Liability | |
| d. Products/completed operations | |
| e. Broad form property damage, to include fire legal liability* | |
| f. Personal Injury | |
| g. Explosion, collapse, underground* | |
| Comprehensive Automobile Liability* | Combined Single Limit for Bodily Injury and Property Damage of \$1,000,000 per occurrence |
| a. Owned/Leased Vehicles | |
| b. Non-owned Vehicles | |
| c. Hired Vehicles | |
| Property Insurance: For physical damage | Replacement cost of property but in all events not |

| to the Leased Premises, including all improvements and betterments | less than \$21,000,000 |
|--|----------------------------|
| Liquor Liability | \$2,000,000 per occurrence |

*If Applicable

Section 14.05 <u>Additional Insured</u>. The above-required liability insurance shall name PFC as additional insured on the policy.

Section 14.06 <u>Requirements</u>. Lessee agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following required provisions:

- 14.06.1 Name PFC and its officers, employees and elected representatives as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with PFC, with the exception of the workers' compensation and professional liability policies;
- 14.06.2 Provide for an endorsement that the "other insurance" clause shall not apply to PFC where PFC is an additional insured shown on the policy;
- 14.06.3 Workers' compensation and employers' liability policy (or suitable proof of coverage pursuant to the Texas statutes) will provide a waiver of subrogation in favor of PFC.

Section 14.07 <u>Notice of Cancellation or Non-Renewal</u>. Lessee shall notify PFC in the event of any notice of cancellation, non-renewal or material change in coverage and shall give such notice not less than thirty (30) days prior to the change, or ten (10) days' notice for cancellation due to non-payment of premiums, which notice must be accompanied by a replacement Certificate of Insurance.

Section 14.08 <u>PFC Remedies for Failure to Maintain Insurance</u>. If Lessee fails to maintain the aforementioned insurance, or fails to secure and maintain the aforementioned endorsements, PFC may obtain such insurance, and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement. Procuring of said insurance by PFC, however, is not the exclusive remedy for failure of Lessee to maintain said insurance or secure said endorsements. In addition to any other remedies PFC may have upon Lessee's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, PFC shall have the right to order Lessee to cease operations hereunder, or withhold any payment(s) which become due to Lessee hereunder until Lessee demonstrates compliance with the requirements hereof.

Section 14.09 <u>No Limitation on Liability</u>. Nothing herein contained shall be construed as limiting in any way the extent to which Lessee may be held responsible for payments of damages to persons or property resulting from Lessee's or its subcontractors' performance of the work covered under this Agreement.

Section 14.10 <u>PFC Insurance</u>. PFC shall maintain, for the duration of this Agreement, property insurance or self-insurance in an amount sufficient to meets its obligations hereunder.

Section 14.11 <u>Additional Insurance Requirements</u>. Lessee shall insure its own personal property and obtain insurance in the types and amounts set forth in <u>Section 14.04</u>.

ARTICLE XV

INDEMNIFICATION

Section 15.01 Indemnification. Lessee covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, the PFC and Sponsors and the elected officials, employees, officers, directors, volunteers and representatives of the PFC and Sponsors, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties. proceedings, actions, demands, causes of action, liability and suits of any kind and nature. including but not limited to, personal or bodily injury, death, property damage, made upon the PFC and/or Sponsors directly or indirectly arising out of, resulting from or related to LESSEE's activities under this AGREEMENT, including any acts or omissions of LESSEE, any agent, officer, director, representative, employee, consultant or subcontractor of LESSEE, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this AGREEMENT, all without however, waiving any governmental immunity available to the PFC and Sponsors under Texas Law and without waiving any defenses of the parties under Texas Law. SUBJECT TO SUB-SECTION 13.01.6 ABOVE, IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF PFC and/or SPONSORS, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS AGREEMENT.

It is the EXPRESS INTENT of the parties to this AGREEMENT, that, SUBJECT TO SUB-SECTION 13.01.6 ABOVE, the INDEMNITY provided for in this Section, is an INDEMNITY extended by LESSEE to INDEMNIFY, PROTECT and HOLD HARMLESS, the PFC and SPONSORS from the consequences of the PFC and/or SPONSOR'S OWN NEGLIGENCE (EXCLUDING INTENTIONAL, WILLFUL, WANTON, MALICIOUS, OR OTHER NON-NEGLIGENT CONDUCT OF THE PFC and/or SPONSORS, ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS OR REPRESENTATIVES), provided however, that the INDEMNITY provided for in this Section SHALL APPLY only when the NEGLIGENT ACT of the PFC and/or SPONSORS is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the conduct, act, or omission of the PFC and/or Sponsors, its elected officials, employees, officers, directors, volunteers or representatives, is the sole cause of the resultant injury, death, or damage. LESSEE further AGREES TO DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF THE PFC and/or SPONSORS AND IN THE NAME OF THE PFC and SPONSORS, any claim or litigation brought against the PFC and/or SPONSORS and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. LESSEE shall advise the PFC in writing within twenty-four (24) hours of any claim or demand against the PFC and/or SPONSORS or LESSEE known to LESSEE related to or arising out of LESSEE's activities under this AGREEMENT and shall see to the investigation and defense of such Indemnified claim or demand as set forth above at LESSEE's cost. The PFC shall have the right, at its option and at its own expense, to participate in such defense without relieving LESSEE of any of its obligations under this paragraph.

Section 15.02 <u>Defense Counsel</u>. PFC shall have the right to select or to approve defense counsel to be retained by Lessee in fulfilling its obligation hereunder to defend and indemnify PFC, unless such right is expressly waived by PFC in writing. Lesser shall retain PFC approved defense counsel within seven (7) business days of PFC's written notice that PFC is invoking its right to indemnification under this Agreement. If LESSEE fails to retain Counsel within such time period, PFC shall have the right to retain defense counsel on its own behalf, and LESSEE shall be liable for all costs incurred by PFC. PFC shall also have the right, at its option, to be represented by advisory council of its own selection and at its own expense, without waiving the foregoing.

ARTICLE XVI

ACTS OF CO-TENANTS AND OTHER PERSONS

Section 16.01 Acts of Co-Tenants and Other Persons. PFC shall not be liable for any damage either to the person or property, sustained by Lessee or other Persons due to the Leased Premises or any part or appurtenance thereof becoming out of repair or arising from (i) bursting or leaking of water, gas, waste or steam pipes, or (ii) defective wiring or (iii) any act or omission of any employees, co-tenants, or other occupants of the Stadium, or any other Persons or (iv) the happening of any accident in or about the Leased Premises.

Section 16.02 <u>Interruption of Services</u>. Failure to any extent of utility companies to furnish, or any stoppage or interruption of, utility services to the Leased Premises resulting from any cause, shall not render PFC liable in any respect for damages to either Person, property or business, nor be construed as an eviction of Lessee or work as an abatement of rent, nor relieve Lessee from fulfillment of any covenant or agreement hereof, except as otherwise provided in <u>Section 8.11</u> below.

ARTICLE XVII

FIRE AND OTHER DAMAGE

Section 17.01 Fire and Other Damage. Subject to Sub-Section 13.01.5 and Sub-Section 13.01.6, in the event that the Stadium or the Leased Premises shall be partially damaged or totally damaged by fire or the elements (including earthquake, flood, tornado, wind, rain, snow, hail or other weather event), an act of terrorism, riots, an act of God or any other casualty of any kind (a "Casualty") and as a result, said Leased Premises are no longer available and unable to be used by Lessee for any Permitted Use, all future Rental Fees, additional rental and

fees shall cease until such time as the Leased Premises are restored to the condition prior to said damage. In such event, Lessee shall restore the Leased Premises to, at a minimum, the Stadium Baseline Condition or, to the extent insurance proceeds are available, the condition existing immediately prior to such damage.

Section 17.02 <u>Limitation of Liability</u>. In the absence of sole negligence on the part of PFC, PFC shall have no liability for economic, consequential or punitive damages as a result of damage by Casualty.

Section 17.03 <u>Termination</u>. In the event that the time to perform any repairs resulting from a Casualty is reasonably expected to take longer than eighteen (18) months to perform, Lessee shall have the right to terminate this Agreement by delivering to PFC a notice of termination within ninety (90) days of the occurrence of such Casualty. In the event Lessee exercises the termination right provided in this <u>Section 17.03</u>, Lessee shall assign to the PFC the Lessee's right, title and interest in any insurance proceeds related to the Leased Premises related to the event giving rise to such termination excluding proceeds related to Lessee's personal property.

ARTICLE XVIII

DEFAULT AND TERMINATION

Section 18.01 Events of Default. The following events shall be deemed to be events of default by Lessee under this Agreement (each being, after the passage of the cure period and continuing to remain uncured, a "Lessee Event of Default"):

- 18.01.1 Lessee shall fail to pay any installment of the Rental Fee or any other sum Lessee is obligated to pay hereunder, and shall not cure such failure within five (5) days after written notice is given to Lessee.
- 18.01.2 Lessee shall fail to comply with any term, provision or covenant of this Agreement, including, but not limited to, its maintenance and repair obligation or failing to use "best efforts" to pursue an MLS franchise as provided in <u>Section 22.01</u>, but not the payment of the Rental Fee or any other sum Lessee is obligated to pay hereunder, and shall not cure such failure within thirty (30) days after written notice is given thereof to Lessee or fails to commence to cure the same within such thirty-day period and diligently prosecute such cure to completion; *provided however*, in all events, Lessee shall cure to completion such failure within ninety (90) days of the date of such notice.
- 18.01.3 Lessee shall make an assignment for the benefit of creditors or a receiver or trustee shall be appointed for Lessee or its property.
- 18.01.4 Lessee shall file a petition under any Section or chapter of the National Bankruptcy Code, as amended, or under any similar law or statutes of the United States or any state thereof; or Lessee shall be adjudged bankrupt or insolvent in proceedings filed against Lessee thereunder and such adjudication shall not be vacated or set aside or stayed within sixty (60) days thereafter.

Section 18.02 Remedies. Upon the occurrence and during the continuance of any Lessee Event of Default specified in Section 18.01 hereof, PFC may (i) declare this Agreement, and all rights and interest created by it, to be terminated by providing written notice of same to Lessee in accordance with Sub-Section 24.01.4, or (ii) relet the Leased Premises, either in the name of PFC or otherwise, using efforts to obtain the best fees and terms reasonably available under the circumstances for the account of Lessee, who shall make good any deficiency between fees due and owing under this Agreement and fees received by PFC by reletting the Leased Premises for the best fee and terms reasonably available under the circumstances as aforestated ("Rental Deficiency"). For the purpose of such reletting, PFC is authorized to make any repairs, changes, alterations or additions in or to the Leased Premises as may be reasonably necessary. In the event the Leased Premises are relet, in addition to the Rental Deficiency, if any, Lessee shall also be liable to PFC hereunder for the unpaid fees due hereunder earned but unpaid at the time of reletting (including the entire amounts owed pursuant to Section 22.04 hereof) plus interest thereon at the Post-Judgment Interest Rate as specified in Section 304.003 of the Texas Finance Code (but not to exceed the maximum rate allowed by applicable law), the cost of recovering possession (including reasonable attorneys' fees and costs of suit), all of the costs and expenses of such repairs, changes, alterations and additions, the expense of such reletting and the cost of collection of the fees accruing therefrom. Such reletting shall not be construed as an election on the part of PFC to terminate this Agreement unless a written notice of such intention be given to Lessee by PFC. Notwithstanding any such reletting without termination, PFC may at any time thereafter elect to terminate this Agreement.

Section 18.03 <u>Remedies Cumulative</u>. Any termination of this Agreement as herein provided shall not relieve Lessee from the payment of any sum or sums that shall then be due and payable to PFC hereunder, or any claim for damages then or theretofore accruing against Lessee hereunder, and any such termination shall not prevent PFC from enforcing the payment of such sum or sums or claim for damages by any remedy provided hereunder. All rights, options, and remedies of PFC contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, unless otherwise stated in this Agreement.

Section 18.04 Non-Waiver. Failure of PFC to declare any default immediately upon the occurrence thereof, or the delay in taking any action in connection therewith, shall not waive such default, but PFC shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, either at law or in equity. No waiver by PFC of a breach of any of the covenants, conditions, or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition or restriction herein contained.

Section 18.05 <u>Possession</u>. Upon any such expiration or termination of this Agreement, Lessee shall quit and peacefully surrender the Leased Premises to PFC, and PFC, upon or at any time after such expiration or termination, may, without further notice, enter upon and re-enter the Leased Premises and possess and repossess itself thereof, by force, summary proceedings, ejectment or otherwise, and may dispossess Lessee and remove Lessee and all other persons and property from the Leased Premises, unless Lessee is in the process of negotiating an extension and PFC is agreeable to such extension.

Section 18.06 <u>Personal Property</u>. If PFC shall terminate this Agreement or take possession of the Leased Premises by reason of a Lessee Event of Default, then Lessee, and those holding under Lessee, shall forthwith remove their team-related trade fixtures, equipment, signs, furniture, furnishings and other personal property and team-related non-structural improvements which are not permanently fixed or integrated into the Stadium or Leased Premises (hereafter collectively "<u>Goods and Effects</u>"). If Lessee shall fail to effect such removal within thirty (30) days after such termination, then Lessee agrees that any such Goods and Effects left shall automatically become the property of PFC whereupon PFC may, without liability to Lessee or those claiming under Lessee, remove such Goods and Effects and, at PFC's option, retain or dispose of Lessee's Goods and Effects, without notice, at a private or public sale and without liability to Lessee or those claiming under Lessee.

Section 18.07 <u>PFC Default</u>. Upon any breach or default by PFC hereunder, Lessee may exercise any and all rights and remedies available to Lessee under this Agreement, at law, or in equity. All rights, options, and remedies of Lessee contained in this Agreement shall be construed and held to be cumulative, and no one of them shall be exclusive of the other, unless otherwise stated in this Agreement.

ARTICLE XIX

ENCUMBRANCES

Section 19.01 No Encumbrances. Lessee will not create or permit to be created or to remain, and will discharge, any lien (except taxes not yet due or payable), encumbrance or charge, or any mechanic's, laborer's or materialmen's lien or any mortgage, conditional sale, security interest, or title retention agreement or otherwise, which might be or become a lien, encumbrance or charge upon the Leased Premises, or any part thereof, other than those encumbrances for which Lessee has provided for adequate reserves and is contesting in good faith.

ARTICLE XX

MAINTENANCE AND REPAIRS

Section 20.01 <u>Lessee's Maintenance</u>. Lessee shall be responsible for all maintenance and repairs to the Leased Premises required to maintain the Facility Standard, and Lessee shall have access to the Initial Facilities Fund and Improvements and Maintenance Fund as hereafter provided to perform such maintenance obligations required to be made by Lessee hereunder.

Section 20.02 <u>Existing Condition</u>. The Leased Premises shall be turned over to Lessee on the Commencement Date in its existing condition.

Section 20.03 <u>Condition of Leased Premises</u>. Other than as provided herein, Lessee shall be responsible for the condition of the Leased Premises, including maintenance of the interior and exterior of said Premises. Lessee shall repair any damage to the Leased Premises caused by Lessee or other parties, as provided by <u>Sub-Section 13.01.5</u>, and shall maintain, or cause to be maintained, the Leased Premises in a condition consistent to the Facility Standard.

Further, Lessee shall keep and maintain the interior of the Leased Premises with safety devices which may be required by any governmental authority (other than Sponsors unless uniformly applied to all comparable facilities) because of Lessee's use.

Section 20.04 <u>Return of Leased Premises</u>. Lessee will, at the expiration or termination of this Agreement, return (a) the Leased Premises to PFC in as good a condition as existed as of the Commencement Date, usual wear and tear, and repairs that are the responsibility of PFC pursuant to <u>Sub-Section 13.01.6</u> hereof excepted and (b) any Facility Equipment in its condition at such time.

Section 20.05 <u>Property of Lessee</u>. Lessee agrees to hold PFC harmless for any theft, damages or destruction of signs, goods or other property of Lessee both during the Term of this Agreement and as so left on the Leased Premises after Lessee vacates the Leased Premises.

Section 20.06 Initial Facilities Fund. Within 30 days following the Effective Date, (i) the PFC shall have established the Initial Facilities Fund as provided below and (ii) (a) Lessee shall contribute to the Initial Facilities Fund the Lessee Initial Facilities Fund Contribution, (b) the County will contribute to the Initial Facilities Fund the County Initial Facilities Contribution, and (c) the City will contribute to the Initial Facilities Fund the City Initial Facilities Contribution. The Initial Facilities Fund shall be held in a segregated account owned by the PFC and controlled, administered and distributed by the Bexar County Auditor's Office. All funds held in the Initial Facilities Fund shall be used to fund the costs and expenses associated with Deferred Maintenance and improvements to the Leased Premises and the STAR Soccer Complex pursuant to a budget and improvement plan ("Initial Improvements Budget") to be established by Lessee and delivered to the County following the Effective Date. The Initial Improvements Budget will be subject to the approval of the PFC, such approval not to be unreasonably withheld, conditioned or delayed. The County Initial Facilities Contribution shall be used exclusively for costs and expenses associated with deferred maintenance and improvements to the STAR Soccer Complex. Provided such proposed expenditure is included in the Initial Improvements Budget approved by the PFC, upon Lessee's request, the Bexar County Auditor's Office shall distribute such funds in accordance with Lessee's request upon proper documentation of such expenditure.

Section 20.07 <u>Improvements and Maintenance Fund</u>. Within 30 days following the, the Lessee shall have established the Improvements and Maintenance Fund. The Improvements and Maintenance Fund shall be owned by the PFC and held in a segregated account controlled, administered and distributed by the Lessee. The Improvements and Maintenance Fund shall be funded as follows:

- (i) On a monthly basis, immediately following the receipt of the Facility Access Fee from the Lessee in accordance with the terms hereof, the PFC shall deposit fifty-percent (50%) of such Facility Access Fee in the Improvements and Maintenance Fund; and
- (ii) On an annual basis, immediately following the receipt of the Rental Fee from the Lessee in accordance with the terms hereof, the PFC shall

deposit fifty-percent (50%) of such Rental Fee in the Improvements and Maintenance Fund.

All funds held in the Improvements and Maintenance Fund shall be used by Lessee to fund the costs and expenses associated with (i) Lessee's maintenance and repair obligations pursuant to the terms of this Agreement, (ii) any Lessee Improvements (iii) any other Improvements and (iv) any costs and expenses related to maintaining and improving the STAR Soccer Complex. On periodic basis agreed upon by the Parties, Lessee shall deliver to the County a budget and improvement plan related to expected expenditures related to items (i)-(iv) above ("Improvements and Maintenance Fund Budget"). The Improvements and Maintenance Fund Budget will be subject to the approval of the PFC, such approval not to be unreasonably withheld, conditioned or delayed. Provided, however, regarding any expenditure that has been included in an approved Improvements and Maintenance Fund Budget, Lessee is hereby authorized to deduct funds from the Improvements and Maintenance Fund to pay for such expenditures. Direct expenditures made by the Lessee shall be subject to the audit provisions described in ARTICLE X hereof and Lessee shall provide reports related to all direct expenditures from the Improvements and Maintenance Fund as reasonably requested by the PFC.

Section 20.08 <u>Capital Reserve Fund</u>. Within 30 days following the Effective Date, the PFC shall have established the Capital Reserve Fund. The Capital Reserve Fund shall be held in a segregated account owned by the PFC and controlled, administered and distributed by the City of San Antonio Finance Department. The Capital Reserve Fund shall be funded as follows:

- (i) On a monthly basis, immediately following the receipt of the Facility Access Fee from the Lessee in accordance with the terms hereof, the PFC shall deposit fifty-percent (50%) of such Facility Access Fee in the Capital Reserve Fund; and
- (ii) On an annual basis, immediately following the receipt of the Rental Fee from the Lessee in accordance with the terms hereof, the PFC shall deposit fifty-percent (50%) of such Rental Fee in the Capital Reserve Fund.

All funds held in the Capital Reserve Fund may be used by the PFC to (i) fund capital improvement projects related to the Leased Premises and (ii) other projects related to the Leased Premises proposed by Lessee, on a project-by-project basis, subject to the approval of the PFC, such approval not to be unreasonably withheld, conditioned or delayed.

Section 20.09 <u>Facilities Funds Upon Termination or MLS Expansion</u>. Any remaining funds in the Facilities Funds may be used by Lessee for costs and expenses related to the MLS Expansion. Upon the expiration or termination of this Agreement, all amounts in the Facilities Funds shall remain the property of PFC.

ARTICLE XXI

ASSIGNMENT

Section 21.01 <u>Assignment</u>. Neither Party may, without the express written consent of the other Party, assign all or any part of its interest in this Agreement; *provided* that the foregoing shall not prohibit, and each of the following shall constitute a "<u>Permitted Transfer</u>" (i) any change in control, by operation of law or otherwise, of the direct or indirect ownership of Lessee, (ii) any delegation of contracting by Lessee of its obligations with respect to the maintenance, repair, operation or management of the Leased Premises, including concession, media and advertising or (iii) upon the consent of the PFC, such approval not to be unreasonably withheld, conditioned or delayed, any sale of all or substantially all of the assets of Lessee, including a sale of any soccer franchise which would include an assignment of this Agreement. In the event of any Permitted Transfer by Lessee of this Agreement pursuant to the foregoing clause (i) or (ii), the Guaranty shall be of no further force and effect in the event that an approved substitute guaranty is provided to PFC in form and substance substantially the same as the Guaranty and from a Person who either (i) has tangible net worth of at least equal to the tangible net worth of Guarantor as of the Effective Date or (ii) as reasonably determined by PFC, who is otherwise creditworthy in light of the obligations covered by the Guaranty.

ARTICLE XXII

MAJOR LEAGUE TEAM

Section 22.01 <u>Pursue MLS Franchise</u>. During the Expansion Period, Lessee will use best efforts, including taking the actions described on <u>Schedule 22.01</u>, to pursue an MLS franchise; provided, however, Lessee's obligation to use "best efforts" shall not require Lessee to take any action or make any expenditure that is not commercially reasonable.

Section 22.02 MLS Expansion. If Lessee or an Affiliate of Lessee (a) is awarded an MLS franchise, (b) otherwise acquires an MLS franchise, or (c) is able to demonstrate the verifiable presence of an imminent opportunity to secure an MLS franchise, either through expansion or relocation ((a)-(c) being hereby referred to as the "MLS Opportunity Condition"), Lessee shall notify the PFC and Sponsors that the MLS Opportunity Condition has been satisfied whereupon the PFC, Sponsors and Lessee shall use commercially reasonable efforts to agree in writing on a memorandum of understanding ("MLS Expansion MOU") containing the general business terms and conditions, including revenue sharing and funding sources, related to an expansion of the Stadium (or constructing a new facility) meeting the professional soccer standards imposed by MLS and consistent with the standards of new MLS soccer arenas and facilities (such improvements to the Leased Premises being the "MLS Expansion"). The MLS Expansion MOU will provide for a funding model similar to that of the County's AT&T Center, which provided that eighty-four percent (84%) of the costs of expansion be publicly-funded while sixteen-percent (16%) of such costs are provided through the Lessee ("Lessee's MLS Expansion Contribution"). Should the parties determine that a different cost sharing ratio for expansion is required to receive public endorsement through an election, the Parties by mutual

agreement may propose a ratio other than 84/16. Upon the execution of the MLS Expansion MOU, subject to Section 22.03 below, the County and City shall propose to the voters, no earlier than November 1, 2017, a proposition to fund the MLS Expansion (or construct a new facility) ("MLS Stadium Financing Election").

Section 22.03 MLS Stadium Financing Election. Lessee acknowledges that the decision to call the MLS Stadium Financing Election rests exclusively with the County and City. In the event the Lessee has (a) satisfied the MLS Opportunity Condition, (b) entered into an MLS Expansion MOU, and (c) provided reasonable data to the PFC and Sponsors indicating that there is a reasonable expectation that the MLS Stadium Financing Election would be successful ("Election Data Condition") (the date the MLS Opportunity Condition, MLS Expansion MOU, and the Election Data Condition are satisfied being referred to as the "Election Tolling Date"), if the MLS Stadium Election has not occurred within twenty-four (24) months following the Election Tolling Date, then the Lessee's obligation to make Reimbursement Payments shall be delayed on a day for day basis between Election Tolling Date and the date of the actual MLS Stadium Financing Election occurs. In the event the Election Tolling Date occurs but this Agreement terminates, for any reason other than pursuant to the exercise of remedies by PFC following a Lessee Event of Default, or expires prior to the occurrence of an MLS Stadium Financing Election, the Lessee's obligation to make Reimbursement Payments shall be null and void.

Section 22.04 <u>Reimbursement Payment</u>. If Lessee or its Affiliate has not been awarded an MLS franchise on or before the expiration of the applicable Lease Year provided below (the sixth (6th) Lease Year through the thirteenth (13th) Lease Year being the "<u>Reimbursement Period</u>"), Lessee agrees to pay PFC the following (the "<u>Reimbursement Payment</u>") for such Lease Year (subject to delay regarding such payment obligation by Lessee pursuant to <u>Section 22.03</u> above):

- 22.04.1 The sum of Two Hundred Fifty Thousand Dollars (\$250,000) for each of the sixth (6th), seventh (7th) and eighth (8th) Lease Years;
- 22.04.2 The sum of Five Hundred Thousand Dollars (\$500,000) for the ninth (9th) Lease Year;
- 22.04.3 The sum of Seven Hundred Fifty Thousand Dollars (\$750,000) for the tenth (10th) Lease Year; and
- 22.04.4 The sum of One Million Dollars (\$1,000,000) for each of the eleventh (11th), twelfth (12th) and thirteenth (13th) Lease Years.

Section 22.05 <u>Subsequent Award of MLS Franchise</u>. Notwithstanding the foregoing, if Lessee or an Affiliate of Lessee is awarded an MLS franchise or otherwise acquires an MLS franchise then (i) if such award or acquisition occurs on or before the expiration of any Lease Year during the Reimbursement Period, Lessee shall not be obligated to pay PFC any Reimbursement Payment for such Lease Year or any Lease Year thereafter, and (ii) any Reimbursement Payment paid to PFC shall be offset against Lessee's MLS Expansion Contribution.

Section 22.06 <u>Property of Reimbursement Payment on Expiration of Term.</u> Any Reimbursement Payment paid to PFC shall remain the property of PFC and may be transferred by PFC to the Sponsors.

Section 22.07 <u>Payment of Reimbursement Payment</u>. The Reimbursement Payment shall be paid by Lessee in arrears on or before September 30th of each Lease Year during the Reimbursement Period, subject to delay regarding such payment obligation by Lessee pursuant to Section 22.03 above.

Section 22.08 <u>PFC and Sponsor Contributions</u>. Except as otherwise expressly provided in <u>SectionsSection 1.05</u>, <u>Section 2.02</u>, <u>Section 8.09</u>, <u>13.01.6</u>, <u>Section 20.07</u> or <u>ARTICLE XXIII</u> of this Agreement or with respect to an MLS Expansion, neither the PFC nor the Sponsors will be required to make any additional contributions or expenditures related to the Leased Premises or Lessee's operations thereon.

ARTICLE XXIII

NON-COMPETE/EXCLUSIVITY/EARLY TERMINATION

Section 23.01 <u>Non-Compete/Exclusivity</u>. Subject to the terms of this Agreement, during the Expansion Period, the PFC, the City, the County and each of their respective Affiliates (the "<u>Non-Compete Parties</u>") agree to not Participate in Soccer with any Person other than an SAFC Person, <u>except</u> with respect to an Expansion Period Alternate MLS Group Scenario and Large Soccer Event.

- 23.01.1 "Participate in Soccer" means to (i) lease for Soccer Events or to a Soccer Team for the holding of Soccer Events any facility owned, leased or otherwise controlled by the Non-Compete Parties, (ii) sell land to anyone for the development of a facility where Soccer Events will be held or (iii) provide funding or incentives of any kind (including credit support, TIRZ funds, economic development grants or any other tax incentives or financial support) to a Soccer Team or for a facility at which Soccer Events will be held. Participate in Soccer shall not mean the exercise of ordinary and customary functions of the City and County related to ordinary public infrastructure construction and maintenance not being made to subsidize the development of a new facility where soccer events will be held.
- 23.01.2 "Soccer Events" means any event at which Division 1, 2 and 3 professional soccer teams as defined by FIFA standards and recognized by United States Soccer Federation (USSF) is held, whether or not a ticket is issued for admittance to the event.
- 23.01.3 "Soccer Team" means any Person that owns or has an interest, whether controlling or not, in a professional soccer team or organization or Division I, II or III men's and women's collegiate soccer team or organization.

Section 23.02 <u>Soccer Event Exception</u>. The Non-Compete Parties will be permitted to hold, produce or allow the holding of at their facilities soccer events that are reasonably expected to exceed an attendance of at least 10,000 people (a "<u>Large Soccer Event</u>").

Section 23.03 Expansion Period Alternate MLS Group Scenario. Subject to the terms of this Agreement, during the Expansion Period, the Non-Compete Parties may Participate in Soccer with any Person solely in connection with the award of an MLS franchise that will play its home games in the City of San Antonio or Bexar County in a location other than the Stadium ("Expansion Period Alternate MLS Group Scenario"). In the event any of the Non-Compete Parties Participate in Soccer with any Person (other than an entity which is partially owned by an SAFC Person) pursuant to an Expansion Period Alternate MLS Group Scenario, so long as no Lessee Event of Default has occurred and is continuing, the Lessee shall have the option to either,

- (A) terminate this Agreement whereupon the Lessee and Guarantor shall be released from all obligations pursuant to the terms of this Agreement and the PFC shall be liable to pay Lessee the following amounts: (i) Three Million Dollar (\$3,000,000) as reimbursement for the payments made to the seller of the Stadium ("Lessee TF Purchase Price Contribution"), (ii) One Million Dollar (\$1,000,000) as reimbursement for the contribution required to be made by Lessee pursuant to this Agreement to the Improvements and Maintenance Fund ("Lessee TF Maintenance Fund Contribution"), (iii) the actual cost of the USL Franchise Fee paid by Lessee or its Affiliate (less any proceeds of any sale of such rights) not to exceed One Million Dollar (\$1,000,000) ("Franchise Fee Contribution"), (iv) any amounts paid by Lessee as a Reimbursement Payments pursuant to Section 22.04 of this Agreement ("Lessee Reimbursement Payments"), and (v) Five Million Dollar (\$5,000,000) representing Lessee's investment to pursue an MLS franchise and develop a professional soccer market in the City of San Antonio and Bexar County ("Market Development Costs"), or
- (B) not terminate this Agreement whereupon this Agreement shall remain in full force and effect and the PFC shall be liable to pay Lessee the Lessee Reimbursement Payments and the Market Development Costs.

The obligation of the PFC to pay the Lessee the Initial MLS Required Investment pursuant to this Section 23.03(A) or the Lessee Reimbursement Payments and Market Development Costs pursuant to this Section 23.03(B), shall (i) be payable to Lessee within 180 days following the date the applicable Non-Compete Party Participates in Soccer pursuant to an Expansion Period Alternate MLS Group Scenario, (ii) be secured by a Deed of Trust granted by the PFC in favor of Lessee encumbering all of the PFC's rights, title and interest in the Leased Premises which shall be executed by the PFC on the Effective Date ("PFC Lien"), and (iii) survive the expiration or termination of this Agreement. Notwithstanding the foregoing, the Franchise Fee Contribution shall not be owed by the PFC pursuant to Section 23.03(A) if, at the time such payment is payable by the PFC, the USL Franchise owned by Lessee's Affiliate that holds events at the Leased Premises (a) is continuing to hold Soccer Events or (b) has been relocated to another market.

Section 23.04 Stub Period Termination Rights and Payments.

23.04.1 <u>Stub Period—Toyota Field.</u> During the Stub Period, in the event the Non-Compete Parties Participate in Soccer with any Person (other than an entity which is partially owned by an SAFC Person) in connection with the award of an MLS franchise that will play its home games at the Stadium, the <u>PFC</u> shall have the option to terminate this Agreement upon Three Hundred (300) days prior written notice to Lessee, whereupon (i) the Lessee and Guarantor shall be released from all obligations pursuant to the terms of this Agreement and (ii) so long as no Lessee Event of Default has occurred and is continuing, the PFC shall, upon the date of such termination, pay to Lessee an amount equal to all Reimbursement Payments paid by Lessee to PFC pursuant to the terms hereof prior to such termination. Following the date the PFC notifies the Lessee of its intent to terminate this Agreement pursuant to the terms of this <u>Sub-Section 22.04.1</u>, Lessee shall be released of all monetary obligations hereunder. The obligations of the PFC pursuant to this <u>Sub-Section 23.04.1</u>, shall be secured by the PFC Lien and shall survive the expiration or termination of this Agreement.

23.04.2 <u>Stub Period—Other Location</u>. During the Stub Period, in the event the Non-Compete Parties Participate in Soccer with any Person (other than an entity which is partially owned by an SAFC Person) that will play its home games in any location *other than* the Stadium, the <u>Lessee</u> shall have the option to terminate this Agreement upon no less than 45 days prior written notice to the PFC, whereupon (i) the Lessee and Guarantor shall be released from all obligations pursuant to the terms of this Agreement and (ii) so long as no Lessee Event of Default has occurred and is continuing the PFC shall, upon the date of such termination, pay to Lessee an amount equal to all Reimbursement Payments paid by Lessee to PFC pursuant to the terms hereof prior to such termination. Following the date the Lessee notifies the PFC of its intent to terminate this Agreement pursuant to the terms of this <u>Section 23.04</u>, Lessee shall be released of all monetary obligations hereunder. The obligations of the PFC pursuant to this <u>Sub-Section 23.04.2</u>, shall be secured by the PFC Lien and shall survive the expiration or termination of this Agreement.

Section 23.05 <u>Post-Expansion Period Termination</u>. Subject to <u>Section 23.04</u>, upon the expiration of the Expansion Period, either Party may terminate this Agreement upon no less than Three Hundred (300) days prior written notice to the non-terminating Party. Upon such termination, Lessee and Guarantor shall be released from all obligations pursuant to the terms of this Agreement; provided, however, unless the Lessee's obligations to pay Reimbursement Payments have been delayed pursuant to <u>Section 22.03</u>, in order to exercise its termination rights pursuant to this <u>Section 23.05</u>, Lessee shall be obligated to pay to PFC all Reimbursement Payments in accordance with this Agreement.

ARTICLE XXIV

MISCELLANEOUS

Section 24.01 <u>Miscellaneous</u>. The following provisions are made a part of this Agreement:

- 24.01.1 <u>Impositions</u>. Lessee shall pay, on or before their respective due dates, to the appropriate collecting authority, all federal, state and local taxes and fees, which are now or may hereafter be levied upon Lessee, or upon the Lessee's business conducted on the Leased Premises (but not any ad valorem real property taxes with respect to the Leased Premises), or upon any of Lessee's property used in connection therewith, including taxes on Lessee's personal property and Lessee's leasehold interest in the Leased Premises; and Lessee shall maintain in current status all federal, state and local licenses and permits, required for the operation of the business conducted by Lessee.
- 24.01.2 <u>No Discrimination</u>. Any discrimination by Lessee, its sublicensees, agents or employees on account of race, color, sex, age, religion, handicap, or national origin, in employment practices or in the use of or admission to the Leased Premises is strictly prohibited.
- 24.01.3 <u>Severability</u>. If any clause or provision of this Agreement shall be deemed or held to be illegal, invalid or unenforceable, then such clause or provisions shall be modified to the minimum extent necessary in order to make such clause or provision legal, valid and enforceable.
- 24.01.4 <u>Notices</u>. Whenever any notice is required or permitted hereunder, such notice shall be in writing. Any notice or document required or permitted to be delivered hereunder shall be delivered by nationally recognized overnight courier, United States Mail, Postage Prepaid, Certified Mail, Return Receipt Requested or hand delivery with signature of receipt and shall be deemed delivered when actually received by the designated Party at the following address (or at such other addresses as they have previously specified by written notice):

If to Lessee:
One AT&T Center
San Antonio, TX 78219
Email: hperaz@attcenter.co

Email: bperez@attcenter.com Attn: Mr. Bobby Perez If to PFC: P.O. Box 839966

San Antonio, Texas 78283-3966

Attn: Director

24.01.5 No Agent or Joint Venture Relationship. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint venturers, guarantors, or any other similar such relationship, between the parties hereto. It is understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of lessor and lessee. The doctrine of respondent superior shall not apply between the parties hereto. The parties understand and agree that PFC shall not be liable for any claims which may be asserted by any third party occurring in connection with Lessee's performance under this Agreement and that Lessee has no authority to bind PFC.

- 24.01.6 Entire Agreement. This Agreement contains the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon, and supersedes all other agreements, oral or otherwise, regarding the subject matter of this Agreement, none of which shall hereafter be deemed to exist or to bind the parties hereto; it being the intent of the parties that neither shall be bound by any term, condition, or representation not herein written.
- 24.01.7 City Ethical Rules. Lessee acknowledges that it is informed that the Charter of the City of San Antonio and City's Ethics Code prohibit City or a City officer or employee, as those terms are defined in Part B, Section 10.01 of the Ethics Code, as may be amended from time to time, from having a financial interest in any contract with City or any City agency such as City-owned utilities. An officer or employee has a "prohibited financial interest" in a contract with City or in the sale to City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: a City officer or employee; his or her parent, child or spouse; a business entity in which the officer or employee, or his or her parent, child or spouse owns ten (10%) percent or more of the voting stock or shares of the business entity, or ten (10%) percent or more of the fair market value of the business entity; a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity. Lessee warrants and certifies, and this Agreement is made in reliance thereon, that it, its officers, employees and agents are neither officers nor employees of City.
- 24.01.8 <u>Successors and Assigns</u>. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns where expressly permitted by this Agreement; <u>provided</u>, <u>however</u>, nothing contained herein shall be deemed to grant to Lessee the right or authority to assign or sublease its rights and obligations in this Agreement to any third party.
- 24.01.9 <u>Governing Law.</u> THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN BEXAR COUNTY, TEXAS.
- 24.01.10 <u>Rules as to Usage</u>. Words of any gender used in this Agreement shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The word "or" will have the inclusive meaning represented by the phrase "and/or".
- 24.01.11 <u>Force Majeure</u>. Whenever a period of time is prescribed for action to be taken by either Party or a particular obligation is required to be performed by such Party, such Party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time or from undertaking such performance, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of such Party, except the provisions of this sub-Section shall not be applicable to (i) Lessee's obligation to pay the Rental Fee, the

Reimbursement Payment or any other sums, costs, charges or expenses required to be paid by Lessee under this Agreement or (ii) any strike or labor unrest that is applicable only to PFC's or Lessee's, as applicable, labor force.

- 24.01.12 <u>Exhibits</u>. The exhibits attached to this Agreement are incorporated herein and made a part hereof for all purposes.
- 24.01.13 <u>Lessee Representations</u>. Lessee represents to PFC that Lessee has full power and authority to execute, deliver and perform this Agreement, and all other documents and certificates contemplated hereby, and the execution, delivery and performance thereof have been duly authorized by Lessee; and no other action is or was required to be taken by Lessee to permit the execution, delivery and performance of this Agreement, the transactions contemplated hereby, and all other documents and certificates contemplated hereby, and no consent or approval of any third party or governmental authority is or was required or appropriate in connection with the execution of this Agreement, or to consummate the transactions contemplated hereby.
- 24.01.14 <u>Amendments</u>. No amendment, modification, or alteration of the terms herein shall be binding unless the same be in writing, dated subsequent to the date hereof and duly executed by the parties hereto.
- 24.01.15 <u>Counterparts</u>. This Agreement shall be executed in multiple counterparts, each of which shall have the full force and effect of an original, but all of which together shall constitute one instrument.
- 24.01.16 No Implied Warranties. PFC AND LESSEE AGREE THAT THERE ARE, AND WERE, NO VERBAL OR WRITTEN REPRESENTATIONS, WARRANTIES, UNDERSTANDINGS, STIPULATIONS, AGREEMENTS OR PROMISES PERTAINING TO THIS AGREEMENT WHICH ARE NOT INCORPORATED IN WRITING INTO THIS AGREEMENT. PFC AND LESSEE AGREE THAT THERE ARE AND SHALL BE NO IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR THAT THE LEASED PREMISES ARE SUITABLE FOR THEIR INTENDED COMMERCIAL PURPOSE.
 - 24.01.17 Time for Performance. Time is of the essence of this Agreement.
- 24.01.18 <u>Heading, Titles, Etc.</u> The headings which have been used throughout this Agreement have been inserted for convenience of reference only and do not constitute matters to be construed in interpreting this Agreement. The words "herein", "hereof', "hereunder", and other similar compounds of the word "here" when used in this Agreement shall refer to the entire Agreement and not merely to any particular provision or section.
- 24.01.19 <u>City and County Acknowledgement</u>. This Agreement shall not be effective unless executed by all parties hereto, including the City and County with respect to their acknowledgment of the provisions applicable to the City and County. Such

acknowledgement is attached hereto as <u>Schedule 24.01.19</u> ("<u>Sponsor Acknowledgement</u>"). The PFC shall cause the City and County to execute the Sponsor Acknowledgement on or prior to the PFC's execution of this Agreement.

The signature of the parties hereto in triplicate originals, this 21st day of December, 2015 ("Effective Date").

LESSOR:

SABC SOCCER PFC:

Name:

Title: President, Board of Directors

LESSEE: SA FC MANAGEMENT, L.L.C.:

By:

Name: Rick Pych

Title: Authorized Representative

Schedule or Exhibits

Exhibit A: Existing Equipment
Exhibit B: Leased Premises Description
Exhibit C: Hero Parking Area

Exhibit D: STAR Complex

Schedule 22.01: Activities Related to Obtaining MLS Franchise Schedule 24.01.19: Sponsor Acknowledgement

EXHIBIT A

Existing Equipment

[See Attached]

STAR/TOYOTAFIELD/TURF ITEM LIST

REVISED (11.12.15)

| TOYOTA FIELD ITEMS OWNED | AMOUNT |
|-----------------------------------|--------|
| MILLER LITE TALL TABLES | 32 |
| MILLER LITE STOOLS | 68 |
| MILLER LITE SMALL CHAIRS | 146 |
| SCORPIONS TLL TABLES | 19 |
| SCORPIONS BAR STOOLS | 91 |
| SCORPIONS PADDED CHAIRS | 277 |
| 6' TABLES | 10 |
| 8' TABLES | 10 |
| FLAT SCREEN TVS | 37 |
| HOUSEKEEPING CARTS | 5 |
| WHITE CHAIRS | 19 |
| SOCCER GOALS | 4 |
| TRAILERS | 2 |
| BIKE RACK | 9 |
| PARKING HORSES | 15 |
| PARKING A FRAMES | 8 |
| MOP BUCKETS | 13 |
| SQUEEGEES | 2 |
| MOP STICKS | 7 |
| SMALL BROOMS | 11 |
| DUST PANS | 8 |
| PUSH BROOMS | 5 |
| BROOM HEADS | 8 |
| PARKING CONES | 27 |
| STAGE DECKS | 17 |
| SUITE PICTURE FRAMES | 41 |
| SUITE STOOLS | 74 |
| SUITE FRIDGES | 16 |
| SUITE SOFAS | 32 |
| WICKER CHAIRS | 29 |
| WICKER COFFEE TABLES | 2 |
| WICKER TABLES | 4 |
| AMERICAN FLAGS | 1 |
| MEXICAN FLAGS COSTA RICAN FLAG | 1 |
| CANADIAN FLAG | 1 |
| SFAC FLAG | 1 |
| CHAMPIONSHIP FLAG | 1 |
| SCORPIONS GO CART | 1 |
| DESKTOPS | 3 |
| OFFICE PICTURES FRAMES | 3 |
| BOOKSHELF | 1 |
| | |

| OFFICE PHONES | 10 |
|-----------------------|----|
| SUITE PHONES | 16 |
| CONFERENCE ROOM TABLE | 1 |

TF MONTHLY LEASE

RICOH PRINTER

LEASED ITEMS

\$ 95.00 MONTHLY FEE

| TURF EQUIPMENT ON LEASE | AMOUNT | |
|-------------------------|--------------|--------|
| J/D PRO GATORS | \$ 30,078.00 | BUYOUT |
| TRIM/GROOMING MOWERS | \$ 48,898.75 | BUYOUT |
| JD TRACTOR | \$ 23,365.93 | BUYOUT |
| SCAG CHEETAH | \$ 10,200.00 | BUYOUT |

| TURF EQUIPMENT OWNED | AMOUNT |
|----------------------------|--------|
| TORO MD WORKMANS | 3 |
| KUBOTA TRACTOR | 1 |
| ALLEN HOVER MOWER | 1 |
| TORO LOW PROFILE SPRAY RIG | 1 |
| TORO PRO VACCUM | 1 |
| WEED EATERS | 3 |
| CLEARING SAW | 1 |
| STIHL CHAINSAW | 2 |
| HEDGE TRIMMER | 1 |
| BROOMS | 10 |
| BACK PACK SPRAYER | 1 |
| MACHETE | 1 |
| SHOVELS | 21 |
| SMALL RAKES | 3 |
| LARGE RAKES | 5 |
| HANDSAW | 1 |
| POLE SAW | 1 |
| PICK AXE | 2 |
| PRUNERS | 2 |
| FIELD PAINTERS | 3 |
| JD SPREADER | 1 |
| RIDER | 1 |
| TORO AERATOR | 1 |
| AERAVATOR | 1 |
| RAKE-O-VACK | 1 |
| AIR TANK | 1 |
| LIFT | 1 |
| HEDGE SHEARS | 6 |
| WHEEL MEASURE TAPE | 2 |
| CULTIOVATOR | 1 |
| SEED SPREADER | 2 |
| LELY SPREADER | 1 |

STAR EQUIPMENT OWNED

AMOUNT

| OFFICE CHAIRS | 26 |
|--------------------|----|
| DESKTOPS | 20 |
| DESKS | 20 |
| PHONES | 21 |
| PICTURES ON WALLS | 8 |
| PICNIC TABLES | 22 |
| 11V11 GOALS | 22 |
| 8V8 GOALS | 12 |
| ALUMINUM 8V8 GOALS | 4 |
| ALUMINUM 6X6 GOALS | 18 |
| FLAT GOALS | 5 |
| CORNER FLAGS | 97 |

EXHIBIT B

Leased Premises Description

Tract I: Lot 1, Block 12, New City Block 14945, Longhorn Quarry, Unit 2, in the city of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 9596, Page 169-174, Deed and Plat Records of Bexar County, Texas, and depicted on the attached copy of such plat as approximately 7.904 acre tract bounded by Thousand Oaks, Clinker Heights and Quarry Park rights of way.

Tract II: A 1 864 acre, more or less, truet of land, being out of a portion of Lot 201, Block 8. New Cax Block 14245, 1 enghorn Querry, in the Caty of San Antonio, Beyer County, Lexus, according to plat thereof recorded in Volume 2506, Page 72:79. Decland Plat Records of Beyar County, Lexus, and 1.866 acre tract being more particularly described in Exhibit 13.77, attached peretrainly mode a part hereof.

LEGEND

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FLAT MANIER STUFF OF OCKLOPMENT SERVICES.

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PAPE-BURSON! D.P.R. = DEED AND PLAT RECORDS OF BECKE COUNTY, TEXAS

O.P.A. = OFFICIAL PUBLIC RETURNS

OF BEKER COUNTY,

A.R. - DEED RECORDS OF BEHAVE

PLAT NO. 080486

IDOT NOTES:

FOR RESIDENTIAL DEVELOPMENT DIRECTLY ADJACENT TO STATE RIGHT OF MAY, THE DEVELOPER SHALL BE RESPONDED FOR ADDIVIATE SET-BACK MAYON'S SCHOOL ABSTRUCTURE HESBERS FOR PUTUME NOTES MITIGATION, ONE PLOY HOUSE STATE WHITE HOUSE ANY ADJESSE MAND TO THE PRINCE DEARNOST SYSTEM WHITE HE MAY ADJESSE MAND TO THE EXPRINCE DEARNOST SYSTEM WHITE HE MAY HE MAY THE HELD HE MAY MAXIMUM ACCESS POINTS TO STATE MODIFIED FOR HE MAY ROSE TO STATE HIGHWAYS. THIS PROPERTY IS NOT ELIGIBLE FOR ORDER ACCESS TO WINESPACE PARKMAY. IF SOEWALKS ARE REQUIRED BY REGULARDONS FOR ADDIVINANCE, A SOEWALK PERINT MUST BE APPROVED BY TOOD! PROPE TO CONSTRUCTION WITHOUT STATE PROPERTY OF MAY, LOCATIONS OF SOEWALKS MITHOUS STATE PROPERTY OF MAY, LOCATIONS OF SOEWALKS MITHOUS STATE RIGHT OF WAY, LOCATIONS OF SOEWALKS MITHOUS STATE RIGHT OF WAY, LOCATIONS OF SOEWALKS MITHOUS STATE. CPS WITE

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COURTED ME STREET ENVIRONMENT

CONTRIBUTION

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3 THE PLAT DOES NOT AMEND, ALTER, RELEASE OR CHERRISE AFFECT ANY EXISTING ELECTRIC, GAS, MAKE STATE, DRAWGE, TELEFROME, DARLE CARRIENTS OR DHIER CAUCHTS FOR UTILITIES WALESS THE CHANGE BUCH EASTHERTS ARE DESCRIPTO DELOW.

4 EDECRETE DRACHAY APPROACHES ARE ALLOWED WITHON THE FIRE (5) FOOT WOE SLEETING AND GAS EASEMENTS WITH LOTS ARE SERVED NOW IN TRANSLED UNDERGOODING EXCENSE AND UNSTRUCTURES.

KEY MOTES

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REF. DETAIL "D"

PLATE & .

- 10' ELEC , CAS TELL. CA TY.
- (14" FLEC , GAS HLE, CA IV
- (3) 10' ELECTRIC EASONENT
- (4) 16' TELEPHONE EASTHERT
- THE CATH EASTHOR
- (PASCHENT
- TASENDAL NON-VCCEZZ
- SCHEP EASCHENT (PLATE DADIES)
- (PLATY 000132)
- (PLATE CODIS)
- (PLATE COOLSE)
- (PLATE DEDITE)
- (VOL 6500 PE 187 OPR)
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PLAT OF LONGHORN QUARRY, UNIT-2

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COUNTY CLERK, BEXAM COUNTY, TEXAS

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JOB NO. 3533.20







EARAN E CARRINGTON NY COMMISSION EXPERS August 2, 2012



Word STATE OF TEXAS COUNTY OF BOWR I HERELY CERTIFY THAT THE ABOVE PLAT CONFORMS TO THE MI SET FORTH BY THE TEXAS BOARD OF PROFESSIONAL LAND SURVEY AN ACTUAL SURVEY WADE ON THE GROUND BY FAPE-DANGERY ONE PLAT COMPONES TO THE MINIMAL STANDARD OF PROTESSING LIMB STRINGLING ACCORDING TO THE GROWN BY APE-DAMPS DIGHTERS INC.

REDSTITUTED PROFESSIONAL LIMB SURMINGS 85

STATE OF TOXAS

COUNTY OF BENAR

NOTARY PUBLIC

BENN COUNTY, TEXAS

SITE

10/200 D:00/10 Pages 1 D/200 D:00/10 Pages 1 d Jecorded in the Dffiesa rds sf EEXPR COUNTY CLERK ND RICKNOFF COUNTY CLERK

I NDREET CERTIFY THAT PROPER ENGINEERING CONSIDERATION HAS DEEN GMEN THIS PLAY TO THE MOTITUS OF STREETS, LITTS AND CHANGE LATOUT. TO THE BEST OF MY HOMELEDE THIS PLAY CONTRINGS TO ALL REQUIREMENTS OF THE UNIT DEVELOPMENT CODE, EXCEPT FOR THOSE VARIANCES GRANTED BY THE SAN ANTONIO OWNER/DEVELOPER: ALAMO GARDENS, INC. c/o BITTERBLUE, INC. 11 LYNN BATTS LANE, SUITE 100 SAN ANTONIO, TEXAS 78218 PHONE: (210) 828-8131 FAX: (210) 828-6137

ENGINEERS

PAPE-DAWSON

LONGHORN GLURRY, UNIT-2 THE PLAT OF LOWOMORY QUARRY, UNIT-2 HAS BEEN SUBMITTED TO THE CITY OF SAN ANTONIO, TEXAS, AND HAVING BEEN REMEMBED BY THE DEVELOPMENT SERVICES DIRECTOR, IS HEREBY APPROVED IN ACCOMMENCE WITH STATE OR our or September no. 2008 TO SITIE

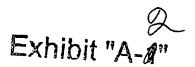
OF BAH 194ET 2 OF 6



STATE OF TEXAS

QUARRY,

ONGHORN







A 1.864 acre tract of land, being over and across a portion of Lot 901, Block 8, New City Block 14945, Replat Longhorn Quarry, a subdivision of record in Volume 9596 Page 72 of the Deed and Plat Records of Bexar County, Texas and being out of the Maria Antonio de los Santos Coy Survey No. 306, Abstract No. 135, County Block 5934, New City Block 14945, situated in the City of San Antonio, Bexar County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a point in the southwest right-of-way line of Thousand Oaks, a variable width public right-of-way, and a portion of the 1.69 acre tract, described in Exhibit "B" of record in Volume 6715 Page 1226 of the Official Public Records of Bexar County, Texas and the northeast line of Lot 901, Block 8 in a curve, for the northeast corner of the tract described herein, from which a found "X" cut in concrete for the point of curvature of Thousand Oaks bears with a curve to the left having a chord begring N 27°38'51" W, a distance of 55.17 feet passing the northeast corner of Lot 901 Block 8 and continuing with the curve to the left with chord bearing N 30°45'19" W, a distance of 223.12 feet;

THENCE: With the southwest right-of-way line of Thousand Oaks and the northeast line of Lot 901. Block 8 with a curve to the right, having an arc of 335.38 feet, a radius of 1550.00 feet, a delta of L2° 23' 50°, and a chord bears \$ 20°25'45° E, a distance of 334.73 feet to a point at the intersection of Thousand Onics and David Edwards Drive, a 60 foot right-of-way, for the southeast corner of Lot 901, Block 8 and the tract described herein;

THENCE: With the north right-of-way line of David Edwards Drive and the south and southeast lines of Lot 901, Block 8 the following calls and distances:

- 1. S 76°50°33" W, a distance of 118.97 feet to a point of curvature to the left, and
- 2. with a curve to the left, having an arc of 157.96 feet, a radius of 230.00 feet, a delta of 39° 20° 55", and a chord bears S 57° 10° 05" W, a distance of 154.87 feet to a point for the northeast corner of Lot 2, Block 8 of the Replat of Longhorn Quarry and the southerly southeast corner of Lot 901, Block 8;

THENCE: S 90° 00'00" W with the common line between Lot 2, Block 8 and Lot 901, Block 8, a distance of 85.56 feet to a point for the southwest corner of the tract described herein;

THENCE: into and across Lot 901, Block 8 the following calls and distances:

- 1. with a curve to the right, having an arc of 139.08 feet, a radius of 301.75 feet, a delta of 26° 24' 27", and a chord bears N 40°39'13" E, a distance of 137.85 feet to a point for an interior corner of the tract described herein;
- 2. N 13°09'27" W. a distance of 283.30 feet to a point for the northwest conter of the tract described herein, and

3. N 76°50'33" E, a distance of 194.49 feet to a point to the POINT OF BEGINNING and containing 1.864 acres or 81,203 Square Feet more or less situated in the City of San Antonio, Bexar County, Texas and being described in accordance with an exhibit prepared by KFW Surveying.

Job No.:

Prepared by:

Date:

11-027 KFW Surveying October 01, 2012

Pile:

S:\Draw 2011\11-27 Star Soccer Stadium\ \DOCS\1.864 Acre

EXHIBIT C

Hero Parking Area

See Attached.



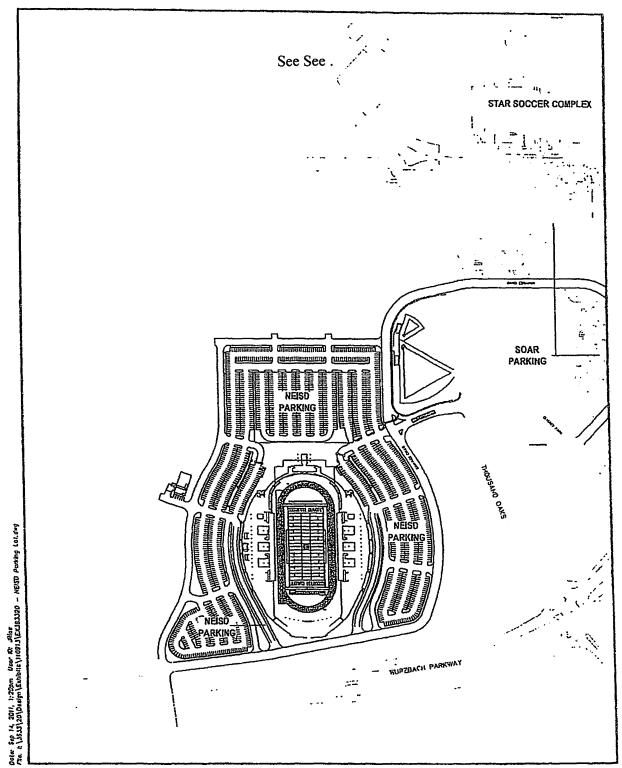
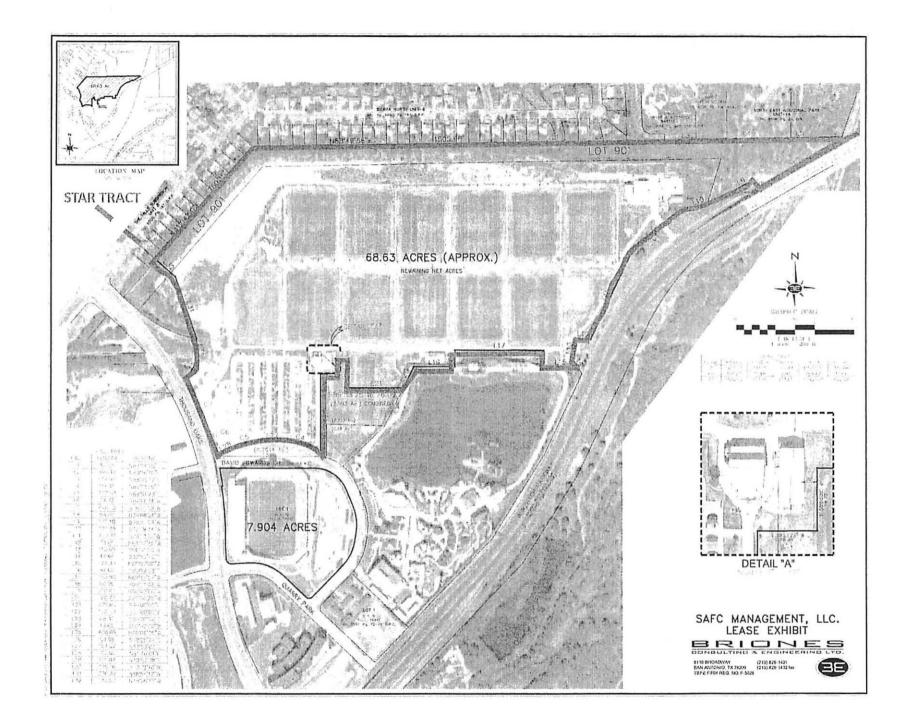


EXHIBIT "A"

Exhibit D

STAR Complex

See Attached



Schedule 24.01.19

Sponsor Acknowledgement

The undersigned hereby execute this Agreement for the sole purpose of acknowledging and agreeing to the obligations upon such parties pursuant to Section 10.06, Section 10.07, Section 20.07, Section 20.08 and Section 22.02, Section 22.03, Section 22.08, and ARTICLE XXIII of this Agreement.

CITY OF SAN ANTONIO

By: Name:

Title

City Manager, or Her Designee

PLUS J. CONTRERACIN

Gerard C. Rickhoff, County Clerk and Ex-Officio Officer of the Commissioners Court of Bexar County, Texas

(Seal of Commissioners Court)

Approved as to Legal Form:

James Plummer, Norton Rose Fulbright US LLP Outside Legal Counsel

Approved as to Financial Content:

Susan Yearts, County Auditor

Commissioners Court of Bexar County, Texas

David Smith, County Manager

Commissioners Court of Bexar County, Texas

COUNTY OF BEXAR

By: Name: Werson W. Wolf

Title: County Judge

Schedule 22.01

In connection with its obligations described in Section 22.01 of the Agreement, Lessee agrees to undertake the following actions during the Expansion Term:

- 1. Develop a "Stadium Feasibility Plan" carefully evaluating the best way to expand the Stadium in connection with Lessee's efforts to pursue an MLS Franchise, including obtaining reports from appropriate sports consultants and engineers;
- 2. Develop a formal business plan and market feasibility study in connection with Lessee's efforts to pursue a MLS Franchise;
- 3. Take affirmative actions to develop a fan base in Bexar County and surrounding communities to support the growth of soccer and to demonstrate to MLS the viability of a MLS franchise in this community;
- 4. Attempt to obtain MLS soccer events in the Stadium for existing teams to demonstrate viability of fan base.
- 5. Take affirmative actions to develop and/or expand existing youth soccer programs in Bexar County including the pursuit of partnerships and/or relationships with local soccer clubs and the United States Development Academy; and
- 6. Make presentation(s) to MLS and its expansion committees regarding acquisition of a franchise for San Antonio.
- 7. Prepare and submit an application, Stadium Feasibility Plan, formal business plan and market feasibility studies for admission to MLS at strategic times when admission to MLS is probable.
- 8. Identify MLS relocation opportunities and study feasibility of relocation to San Antonio.
- 9. Identify funding sources for MLS Franchise Fees.
- 10. Each year at the time budgets are submitted for the Stadium, provide PFC a status report on MLS plans, and actions undertaken to achieve plan.