

LEASE

This **LEASE** (this "Lease") is dated as of _____, 2014 (the "Effective Date"), and is entered into by and between the **CITY OF LANCASTER**, a California municipal corporation and charter city (the "Landlord"), and **JETHAWKS BASEBALL, LP** (the "Tenant").

WHEREAS

A. The Landlord is the owner of a baseball field, stadium, building including office space and improvements, and ancillary parking and related facilities known as "The Hangar" and located at 45116 Valley Central Way, Lancaster, situated in the County of Los Angeles, California, including the building, baseball field, parking areas, all related facilities, and all improvements in and to, more particularly described on Exhibit "A" attached (the "Stadium");

B. The Tenant is the owner of a franchise which operates a Class A-Advanced baseball team (the "Franchise") as a member of the California League of Professional Baseball Inc. (the "California League");

C. The Stadium complies with the best practices carried on by Minor League Baseball franchises at the Class A-Advanced level and the by-laws of the California League (the "Minor League Standard");

D. It is the intention and desire of the parties to enter into this Lease regarding the use of the Stadium for the purpose of conducting and carrying on a Class A-Advanced professional baseball franchise and all other purposes as set out in this Lease; and

E. The Landlord desires to lease the Stadium to the Tenant and the Tenant desires to lease the Stadium from the Landlord according to the provisions of this Lease.

NOW, THEREFORE, in consideration of the foregoing and of the mutual conditions, promises and covenants hereinafter contained, the parties agree as follows:

1. Stadium Lease. Landlord hereby leases the Stadium to the Tenant, and Tenant hereby leases the Stadium from Landlord, for the term, at the rental, and upon all of the conditions set forth in this Agreement.

2. Term. The term (the "Term") of this Lease shall be for ten (10) years commencing on _____, 2014 (the "Commencement Date"), and terminating on _____ unless earlier terminated as provided in this Lease; provided, however, that as an express condition precedent to the effectiveness of this Lease and commencement of the Term, all amounts owed to the Landlord pursuant to that certain lease agreement dated as of August 14, 1995 (originally entered into by and between the former Lancaster Redevelopment Agency and Clutch Play Baseball LLC), and/or that certain maintenance agreement dated as of March 8, 2005 (originally entered into by and between the Landlord and Clutch Play Baseball LLC) (collectively, the "Prior Lease"), shall have been paid to the Landlord in full. The Parties acknowledge and agree that as of the signing of this Lease, Landlord is owed the sum of Three Hundred Nine Thousand Nine Hundred Sixty Nine Dollars and Sixty Nine Cents (\$309,969.69) (the "Cure Amount"). In

the event the Cure Amount is not satisfied on or before the Commencement Date, this Lease shall be void and of no force or effect.

3. Use of the Stadium.

3.1 Landlord and Tenant's use of the Stadium shall be as follows:

3.1.1 Tenant's Use: The Tenant shall have exclusive use of the Stadium for all of its preseason, regular season and postseason professional baseball games scheduled by the California League and all activities and purposes related and/or incidental to the aforementioned purposes, including, without limitation, the holding of tryouts, the performance of practice, exhibition and old timers' games and associated fireworks displays (collectively the "Professional Baseball Events"). The Tenant's Use shall include exclusive use throughout the year of all office space in the Stadium;

3.1.2 Team Name: The name of the professional baseball team that utilizes the Stadium as its home stadium pursuant to the terms of this Lease shall include the word "Lancaster" and shall not include the name of any other geographic location and/or region, including, without limitation, the name of any state, county, or city;

3.1.3 Landlord's Events: A Landlord Event means an event under the control and management of the Landlord in which the Landlord is entitled to all event revenue and is responsible for all event expenses. Except as otherwise provided in the Lease, the Landlord shall have the right during the Term to use of the Stadium for up to 12 days to host Landlord Events subject to consultation with the Tenant to ensure no scheduling conflict with a Tenant's Event or a Professional Baseball Event;

3.1.4 Tenant's Events: A Tenant Event means an event under the control and management of the Tenant in which the Tenant is entitled to all event revenue and is responsible for all event expenses. In addition to the Professional Baseball Events, the Tenant shall have the right during the Term to use the Stadium for up to 12 dates to host Tenant's Events subject to consultation with Landlord to ensure no scheduling conflict with a Landlord's Event;

3.1.5 Joint Events: A Joint Event means an event under the joint control of both the Landlord and the Tenant where the parties have agreed upon their respective responsibilities and share of expenses and revenue. The Landlord and Tenant can host a Joint Event at any time during the Term;

3.1.6 Public Parking: Notwithstanding any other provisions in the Lease, the parties acknowledge and agree that when the Stadium is otherwise not being used for a Professional Baseball Event or otherwise by the Landlord or Tenant under the terms of this Lease, the Stadium parking lots shall remain open for public parking provided that the Tenant shall be allowed 12 permanent reserved parking spaces for its own use;

3.1.7 Proper Purpose: The parties shall not use the Stadium, or permit any other person or entity to use the Stadium, for any improper, immoral or unlawful purpose, for a purpose inconsistent with applicable zoning or the primary use of the Stadium for

Professional Baseball Events, or for any use that would constitute a public or private nuisance or would make void or voidable any insurance then in force with respect to the Stadium; and

3.1.8 Community Event: It is expected that the Landlord and the Tenant will enter into a Community Event Agreement (the “Community Agreement”) within six (6) months of the execution of this Agreement recording that the Tenant, the Landlord or the Tenant and the Landlord will jointly host events involving appropriate charitable causes, school districts located within the Antelope Valley, and youth sports groups operating within the Antelope Valley. Such events shall involve themes such as “Say No To Drugs” and “Stay In School” as well as other themes mutually agreed to by the Landlord and the Tenant.

3.2 Stadium Advertising.

Subject to section 12:

3.2.1 The parties shall agree on any new advertising (not including the existing advertising) to be located on the exterior wall of the Stadium (the “Exterior Stadium Advertising”) and the Net Revenue (which shall mean the gross revenue less reasonable related expenses and costs) from Exterior Stadium Advertising shall be divided equally between the Landlord and Tenant, with the Landlord’s share of the Net Revenue being paid towards the Capital Works fund pursuant to section 6.4.1 of this Agreement;

3.2.2 Except for the Exterior Stadium Advertising, the Tenant shall have the exclusive right to sell and retain all revenue derived from the advertising in any other part of the Stadium (the “Tenant Stadium Advertising”), including but without limitation on the outfield fence, kiosks, parking lot (including curbs and fencing), concession stands, cafe area, scoreboard, playing field, suite level, picnic tent, bar area, pilot’s lounge, and concourse area; and

3.2.3 Notwithstanding the above, the Tenant shall be entitled to sell and retain all revenue derived from the sale of other advertising described in this Agreement, including without limitation, revenue described in section 4.4.

3.3 Tenant’s Operating Standards and Requirements. In its use of the Stadium pursuant to this Lease, the Tenant shall take all reasonable action to operate, maintain and control activities in the Stadium to the Minor League Standard.

3.4 Lodging.

3.4.1 The Tenant shall patronize hotels/motels located within the City of Lancaster (the “Lancaster Lodgings”) subject to their availability and flexibility on possible sponsorship opportunities and provided that such lodgings meet the standards and have the amenities of first class hotels located in other Minor League Baseball venues; and

3.4.2 The Tenant shall also make best efforts to promote the patronage of Lancaster Lodgings by third parties seeking accommodations while visiting the City of Lancaster

on Tenant business, including, without limitation, visiting minor league baseball teams and support staff.

4. Rent.

4.1 Rent. Tenant shall pay Fifty-Five Thousand Seven Hundred Fifty Dollars (\$55,750.00) rent per year, payable quarterly in arrears (the "Rent"). After the first four (4) years of the Term, the Rent shall be adjusted annually by the percentage increase, if any, in the CPI for the previous 12 month period, such adjustment commencing with the fifth year of the Term. "CPI" means the consumer price index for the Los Angeles-Riverside-Orange Counties as published by the California Department of Industrial Relations. In the event the Tenant fails to timely make any quarterly Rent payment, the Landlord may elect (upon written notice to the Tenant) to require all future quarterly Rent payments be made in advance.

4.2 Payment. The Rent shall be paid by the Tenant to the Landlord at the address designated in section 16.14 and shall be made without withhold, abatement, setoff or deduction, except as and to the extent specifically provided in this Lease. The Rent shall be due within thirty (30) days of the last day of each quarter; provided, however, that if the Landlord has elected to require that Rent be paid in advance, Rent shall be due within thirty (30) days of the first day of each quarter.

4.3 Late Fee. A late fee shall be imposed on any Rent payment not made by the Tenant to the Landlord within fifteen (15) days after the due date. The late fee shall be equal to the lesser of (a) one-and-one half percent (1.5%) per month, or (b) the maximum rate allowed to be charged by nonexempt lenders under the California usury laws, until paid (the "Late Fee").

4.4 Tenant's Right to Revenue. Subject to the Tenant's obligation to pay the Rent and all other fees, expenses, costs and/or charges set out in this Lease, the Tenant shall be entitled to retain all revenues actually received (less refunds, credits and tradeouts) from operating Tenant Events at the Stadium, including but without limitation, all ticket sales, Tenant Stadium Advertising, concession sales including the sale of alcoholic beverages, sale of baseball paraphernalia, novelties, souvenirs, parking, back-of-ticket advertising, publication sales, and media such as radio, and internet. If at any time, there is an opportunity to earn television broadcast revenue, the parties will negotiate a revenue sharing agreement. The Tenant and Minor League Baseball shall jointly have the exclusive right to all copyrights that arise from the transmission of all Tenant Events.

5. Utilities.

5.1 Utility Charges.

5.1.1 The Tenant shall pay or cause to be paid when due directly to such utility providers under its own account, all charges for heat, light, electricity, water, gas, telephone service, garbage collection and sewer and drainage service (the "Utility Charges") during the Term and shall indemnify, protect and hold harmless the Landlord and the Stadium from all Utility Charges that are incurred in respect of the Tenant's Use;

5.1.2 The Landlord shall indemnify and save harmless the Tenant from all Utility Charges that occur prior to the Commencement Date; and

5.1.3 The Landlord will cause the Tenant or if applicable, the Stadium, to become a member of the City of Lancaster's planned Community Choice Aggregate or like program if such membership will result in reduction of electrical or other utility costs to the Tenant or Landlord.

5.2 Reimbursement. The Landlord shall reimburse the Tenant for all Utility Charges that are incurred in respect of Landlord Event, any other event in which the Landlord has agreed to pay a portion of the Utility Charges (i.e., Community or Joint Events) or any other Landlord usage within 30 days of being invoiced by the Tenant.

5.3 Interruptions of Utility Services. If any utility service, used at the Stadium is interrupted, and such service is not restored within 72 hours of the interruption, the Rent shall abate until the utility services have been completely restored. An interruption of utility services shall not, however, constitute a default of this Lease.

6. Repair, Maintenance and Capital Improvements.

6.1 Landlord's Responsibility for Maintenance, Repairs, and Capital Improvements.

6.1.1 During the Term, the Landlord, at its sole cost and expense, shall at all times keep the Stadium and every part of the Stadium in good order, condition, and repair, to the Minor League Standard, and to the standard as what was previously maintained by the Landlord. In order to maintain the Minor League Standard, and any successors, local building codes and ordinances, and any changes that may occur in any of those from time to time, the Landlord shall undertake all maintenance and repairs and where necessary, capital improvements to the Stadium including without limitation the dugouts, all equipment or facilities serving the Stadium, such as plumbing, heating, air conditioning, ventilating, electrical, lighting facilities, fire sprinkler and/or standpipe and hose or other automatic fire extinguishing system, including fire alarm and/or smoke detection systems and equipment, fire hydrants, fixtures, wall (interior and exterior), scoreboard, safety netting designed to protect patrons, sound system, lighting, electronics, backstop, foundations, ceilings, roof, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, non-advertising signs, sidewalks and parkways located in, on, about, or adjacent to the Stadium (the "Maintenance"). The Landlord shall provide a suitable twenty-four (24) hour on-call "maintenance representative" for the Term; and

6.1.2 The Landlord acknowledges that the message board is to be put in good operating condition by the Landlord as soon as is reasonably possible but prior to the start of the 2015 California League season.

6.2 Routine Maintenance. In addition to the provisions of section 6.1, the Landlord shall undertake, or cause to be undertaken, the following routine maintenance activities: (a) removal of debris from the seats, walkways and playing field; (b) cleaning the grandstand and the bleachers; (c) cleaning public restrooms; (d) cleaning sky boxes; (e) cleaning picnic area; (f)

performing routine playing field maintenance; and (g) providing for groundskeeping and lining and preparation of the field for play by a professionally trained groundskeeper (collectively, the “Routine Maintenance”). The Routine Maintenance shall be performed in a timely manner and in accordance with the Minor League Standard.

6.3 Tenant’s Reimbursement. The Tenant will reimburse the Landlord’s direct costs arising from section 6.2 for an amount up to one-hundred thousand dollars (\$100,000.00) per year for the first four (4) years of the Term and which maximum amount shall be adjusted annually commencing in the fifth (5th) year of the Term by the percentage increase, if any, in the CPI for the previous 12 month period. This is limited only to the Routine Maintenance consistent with the operation of a professional baseball facility and does not include Maintenance, repairs or capital improvements. Damages to the Stadium that are caused by the Tenant and beyond the normal wear and tear shall be the responsibility of the Tenant in addition to the \$100,000.00 (or adjusted amount) per year referenced above.

6.4 Stadium Upgrades. The Landlord shall be responsible for all capital improvements to the Stadium, including any capital improvements necessitated by the Landlord’s obligations to maintain the Stadium to the Minor League Standard pursuant to section 6.1. Furthermore, it is expected that the Landlord and the Tenant will, in good faith, agree to a capital improvement program (the “Capital Improvement Program”) to improve and upgrade the Stadium on an on-going basis (the “Capital Works”). It is further expected that the Tenant shall discuss and agree on these Capital Works annually with the Landlord and that the principles of the Capital Improvement Program will include that:

6.4.1 the Capital Works must respect, and in no way derogate from, the architectural character of the Stadium name and building;

6.4.2 the Capital Works must, where applicable, meet or exceed any applicable stadium or field requirements in accordance with the Minor League Standard;

6.4.3 the Capital Works must comply with all applicable laws and regulations; and

6.4.4 the Landlord shall establish a fund for Capital Works expenditures (the “Capital Works Fund”. The Landlord shall use the Net Revenues it receives from the Exterior Stadium Advertising and Naming Rights to fund its contribution up to \$75,000 per year. The Landlord may retain any Net Revenues exceeding the \$75,000. The Capital Works Fund in no way limits or derogates the Landlord’s general obligation to fund Capital Works on the Stadium

7. Concessions.

7.1 Tenant’s Right to Sell Concessions; Concession Revenue. The Tenant shall have the exclusive right to sell Concessions in the Stadium during all Tenant, Joint and Community Events. The Tenant may exercise its exclusive right to sell Concessions directly or through a third party concession provider (the “Subcontractor”). Subject to the parties’ agreement regarding Joint and Community Events, the Tenant shall sell Concessions at levels and with staffing as reasonably necessary to provide appropriate concession service given the nature of the

event and the expected attendance. The Tenant shall have the right to retain all revenue derived from the sale of Concessions at Tenant Events.

7.2 Concessions at Landlord Events. The Landlord agrees to use the Subcontractor at Landlord Events, with the exception of City of Lancaster beer and wine tasting festival events. The Tenant shall pay to the Landlord the net revenue realized at Landlord Events where the Subcontractor is used.

7.3 Concession Equipment. The Tenant or the Subcontractor shall have the right to utilize the equipment, fixtures and supplies that are owned by the Landlord that are currently located at the Stadium (the "Landlord's Concession Equipment"). An itemized inventory of the Landlord's Concession Equipment is attached as Schedule "B" to this Lease. In the event the Tenant needs or desires to supplement the Landlord's Concession Equipment, the Tenant may supply, at its own cost and expense, all such supplemental equipment, fixtures and supplies, and these supplemental equipment, fixtures, and supplies shall be owned by the Tenant unless it is a provided by a third party in which case it shall be owned by the third party. The Landlord shall indemnify and save harmless the Tenant from any claims that arise from the sale of the Landlord's Concession Equipment to any third party.

7.4 Sale of Alcoholic Beverages. The Tenant shall have the exclusive right to sell alcoholic beverages provided that it shall strictly comply with all applicable laws and regulations. Notwithstanding the foregoing, the Landlord may sell alcoholic beverages at City of Lancaster beer and wine tasting festival events.

8. Estoppel. Within ten (10) days of presentation, the Tenant shall execute, acknowledge and deliver to the Landlord, at no expense to the Landlord, any estoppel certificate reasonably requested by the Landlord, certifying in writing, if such shall be true, that the Tenant shall be in occupancy, that this Lease is in full force and effect, specifying the dates to which the rent and other charges shall have been paid, and stating that there have been no defaults by the Landlord and such other reasonable representations as may be requested by a grantee, lender, mortgagee or beneficiary.

9. Tenant Alterations. Except as otherwise specifically provided in this Lease, the Tenant shall provide the Landlord written notice of any structural alterations to the Stadium.

10. Insurance.

10.1 Tenant's Insurance. The Tenant, at its expense, shall maintain in effect at all times during the performance of work under this Lease not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A-, VIII" or better in the Best's Key Rating Guide and that are admitted insurers in the State of California:

10.1.1 Commercial General Liability

Each Occurrence	\$2,000,000.00
General Aggregate	\$3,000,000.00
Including Products/Completed Operations	
Including Contractual Liability/Independent Contractors	

Including Broad Form Property Damage

10.1.2 Commercial Automobile Liability

Combined Single Limit per Accident for Bodily Injury and Property Damage	\$1,000,000.00
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10.1.3 Workers Compensation

As Required by the State of California Statutory Limits

10.1.4 Employer's Liability

Each Accident	\$1,000,000.00
Bodily Injury by Disease	\$1,000,000.00
Each Employee	\$1,000,000.00

10.1.5 Insurance shall be at least as broad as ISO form CG 20 10 11 85 or CG 20 10 10 01 and CG 20 37 10 01 covering Commercial General Liability. Commercial Automobile coverage shall be at least as broad as ISO form CA 00 01;

10.1.6 The Tenant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured's liability;

10.1.7 A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation/Employers Liability policies and a copy of the endorsement must accompany the certificate;

10.1.8 Any deductibles or self-insurance retentions must be declared and approved by the Landlord acting reasonably, and as a prudent owner and landlord, the Landlord shall not withhold approval of same provided deductibles or self-insured retentions are reasonable as compared to similar operators or organizations. At the option of the Landlord either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Landlord insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses;

10.1.9 All insurance shall be primary and non-contributory as respects the Landlord insured entities as defined herein. Any insurance or self-insurance maintained by the Landlord insured entities shall be in excess of the Tenant's insurance and shall not contribute with it;

10.1.10 The coverage provided under this Lease shall not contain any special limitations on the scope of protection afforded to the Landlord insured entities as defined herein. Insurance provided and maintained by the Tenant must be placed with insurers with a rating of A-, VIII or better by Best's Key Rating Guide, most recent edition at time of placement of insurances, and that are admitted insurers in the State of California;

10.1.11 Insurance written on a “claims made” basis must be renewed for a period of five (5) years after this Lease expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover the Landlord for all claims made by the Landlord insured entities arising out of any acts or omissions of the Tenant or its officers, employees, or agents during the time this Lease was in effect;

10.1.12 The Tenant shall furnish the Landlord with Certificates of Insurance and with original endorsements effecting coverage required by this Lease. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the Landlord before the Tenant takes possession of the Stadium. The Landlord reserves the right to require complete, certified copies of all required insurance policies at any time;

10.1.13 Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Landlord insured entities;

10.1.14 Certificates of Insurance must be deposited with the Landlord for all coverage required by this Lease. Certificates shall meet the following requirements:

10.1.14.1 Show that the insurance policy has been endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days prior written notice (10 days written notice for non-payment) by Certified Mail, return receipt requested to the Landlord;

10.1.14.2 List in the “Descriptions of Operations/Locations/Vehicles/Special Items” section;

10.1.14.3 The Certificate Holders, as well as their officers, agents, servants, and employees are included as additional insured as respect to liability arising out of activities performed by or on behalf of the Tenant; products and completed operations of the Tenant; premises owned, occupied, or used by the Tenant; or automobiles owned, leased, hired, or borrowed by the Tenant. (This does not apply to Professional Liability policies.);

10.1.14.4 List in the “Certificate Holder” section: The City of Lancaster, the Lancaster Successor Agency, the Lancaster Financing Authority, the Lancaster Housing Authority, the Lancaster Boulevard Corporation, the Lancaster Community Services Foundation, and the Lancaster Museum and Public Art Foundation, as well as each of their officers, agents, servants, and employees, 44933 Fern Avenue, Lancaster, California 93534; and

10.1.14.5 List in the “Cancellation” section: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 written notice (10 days written notice for non-payment) to the Certificate Holders named to the left; and

10.1.15 The Tenant's insurance coverage shall be primary insurance as respects the Landlord insured entities.

10.2 Landlord's Insurance.

10.2.1 The Landlord, acting reasonably and as a prudent owner and landlord, shall carry and maintain throughout the Term such insurance for the account and benefit of the Landlord as the Landlord from time to time considers useful, expedient or beneficial, including, without limitation:

10.2.1.1 insurance against all risks of physical loss or damage to the Stadium, and such fixtures, equipment and improvements as the Landlord will determine, including the perils of earthquake in amounts equal to the full insurable value of the Stadium calculated on a replacement cost basis;

10.2.1.2 insurance against all explosion, rupture or failure of boilers, pressure vessels, air-conditioning equipment and miscellaneous plumbing and electrical apparatus on a blanket basis with broad form cover, including repair and replacement;

10.2.1.3 insurance against third party liability hazards including exposure to personal injury, bodily injury and property damage on an occurrence basis, including insurance of all contractual obligations, and covering also actions of all employees, other persons, sub-contractors and agents while working on behalf of the Landlord;

10.2.1.4 loss of rental income insurance for loss of rental income caused by damage and destruction to the Stadium as described in paragraph 11; and

10.2.1.5 insurance against any other form or forms of loss that the Landlord reasonably requires from time to time for like properties similarly situated and for amounts against which a prudent landlord would insure itself.

10.2.2 The proceeds of the all-risk property insurance will be applied to rebuilding the Stadium pursuant to the provisions of this Lease; and

10.2.3 At the request of the Tenant, the Landlord will furnish the Tenant with certificates evidencing insurance referred to in this section.

10.2.4 The Tenant may take out business interruption insurance against such losses or reimbursement for which the Landlord is liable under section 11.4.

11. **Damage or Destruction.**

11.1 Landlord's Repairs. If, during the term of this Lease, the Stadium is totally or partially damaged from any cause, rendering the Stadium totally or partially inaccessible or unusable and, if under the existing laws, the repair can be completed by the earlier of

11.1.1 within one hundred eighty (180) days after the date of damage, or

11.1.2 thirty (30) days prior to the opening day of the upcoming baseball season,

the Landlord shall repair at its sole cost the Stadium to substantially the same condition as it was in immediately before the damage, and such damage shall not terminate this Lease.

11.2 Tenant's Option to Terminate. If the repair cannot be fully made in the time stated above, then within fifteen (15) business days after the parties determine that the repair cannot be made within such time, but in no event later than sixty (60) days after the damage, the Tenant, acting reasonably, may terminate this Lease immediately by giving notice to the Landlord.

11.3 Partial Damage or Alternate Venue. When such damage occurs during the Tenant's preseason, regular season, or postseason, as determined by a schedule published by the California League, the Tenant may conduct the remainder of its home games during that season at the Stadium, if it has been partially damaged but still otherwise capable of use, or at another facility without impairment of any of its rights in this Lease and the Rent otherwise due hereunder shall be appropriately abated until the repairs have been completed. If necessary, the Landlord shall use reasonable efforts to assist the Tenant in securing an alternative facility while the Landlord repairs the Stadium.

11.4 Tenant's Reimbursement. Unless caused by the Tenant's negligence, the Landlord shall reimburse the Tenant for any reasonable and direct losses (including, without limitation, the deductible paid by the Tenant on any claim for business interruption insurance) it has suffered as a result of the damage to the Stadium, including, without limitation, loss of revenue from Professional Baseball Events. The Landlord's obligation to reimburse the Tenant for any losses pursuant to this Section 11.4 shall be limited to an amount equal to one (1) year of Rent payable by the Tenant under this Lease.

12. Naming Rights.

12.1 Naming Rights.

12.1.1 During the Term, the Tenant shall have the right, subject to the obligation to meet and confer in good faith with the Landlord, to offer for sale and to sell the right to name the external structure of the Stadium currently known as "Lancaster Municipal Stadium" (the "Building") to third parties (the "Building Naming Rights"), provided, however, that any Net Revenue derived from the Building Naming Rights shall be divided equally between the Landlord and the Tenant. The Landlord's share of the Net Revenue from the Building Naming Rights shall be paid towards the Landlord's contribution to Capital Works pursuant to section 6.4.1 of this Agreement; and

12.1.2 If the Landlord wishes to participate in soliciting prospects for the Building Naming Rights, the Landlord must first obtain the Tenant's written approval to the terms that the Landlord intends to offer for those Building Naming Rights and obtain the Tenant's written approval of any final Building Naming Rights agreement. In the absence of a Building Naming Rights agreement, the Building shall continue to be named the "Lancaster Municipal Stadium." The Tenant shall not have the right to name the

Building after itself or otherwise. Any Building Naming Rights agreement entered into shall include the right of such third party to install, construct and maintain reasonable signage on the exterior of the Building.

12.1.3 Notwithstanding the foregoing, the Tenant shall be entitled to sell and retain all revenue derived from the sale of all other naming rights relative to any other part of the Stadium, including without limitation the baseball field, suites, and parking lot.

13. Event of Default by Tenant and Landlord's Remedies.

13.1 Event of Default by Tenant. Each of the following constitutes an "Event of Default by Tenant":

13.1.1 The Tenant shall fail to timely make any payments to the Landlord as required hereunder, including, without limitation, any rent payment when due to the Landlord within thirty (30) days after written notice from the Landlord for nonpayment thereof;

13.1.2 The happening of any act which results in the suspension or revocation of the rights, powers, licenses, permits and authorizations, including, without limitation, the Tenant's franchise from the California League necessary for the conduct of the Tenant operations authorized herein, which causes an interruption in the playing of games for a period of thirty (30) days or more;

13.1.3 The levy of any attachment or execution, or the appointment of any receiver, or the execution of any other process of any court of competent jurisdiction which does or as a consequence of such process will prevent the Tenant's use and occupancy hereunder or otherwise interfere with its operations hereunder, and which attachment, execution, receivership, or other process of such court is not vacated, dismissed, or set aside within a period of sixty (60) days;

13.1.4 The Tenant shall become insolvent, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States, or of any state law, or consent to the appointment of a receiver, trustee or liquidator, and such act prevents the Tenant from conducting games at the Stadium for a period of thirty (30) days or more;

13.1.5 By order or decree of a court, the Tenant shall be adjudged bankrupt, or an order shall be made approving a petition filed by any of the creditors seeking its reorganization or the readjustment of its indebtedness under the federal bankruptcy laws, or under any law or statute of the United States, or any state thereof;

13.1.6 A petition under any chapter of the federal bankruptcy laws, or an action under any present or future solvency law or statute shall be filed against the Tenant and shall not be dismissed within ninety (90) days after the filing thereof and such act prevents the

Tenant from conducting games at the Stadium for a period of thirty (30) days or more; and

13.1.7 Any lien (including, without limitation, mechanic's and materialmen's liens) is filed against the Stadium because of any act or omission of the Tenant and is not removed, bonded against or adequately secured against within ninety (90) days. Nothing in this section shall require the Tenant to monitor, observe or pay any tax, lien, claim, charge or demand so long as the validity or enforceability thereof shall be contested in good faith to the extent appropriate.

13.2 Landlord's Remedies. Upon an Event of Default by Tenant, and subject to any notice and cure period provided herein, then, in addition to all other rights or remedies set forth in this Lease, the Landlord shall have all rights available to the Landlord as may be permitted from time to time by the laws of the State of California, without further notice or demand to the Tenant.

13.3 The Tenant shall fail to keep, perform and observe each and every promise, covenant, condition and agreement set forth in this Lease on its part to be kept, performed or observed within thirty (30) days after written notice of default thereunder from the Landlord, except where fulfillment of the Tenant's obligation requires activity over a period of time and the Tenant shall have commenced to perform whatever may be required to cure the particular default within thirty (30) days after such notice and continues such performance diligently and without interruption except for causes beyond its control.

14. Event of Default by Landlord and Tenant's Remedies.

14.1 Event of Default by Landlord. Each of the following constitutes an "Event of Default by Landlord":

14.1.1 The Landlord shall fail to keep, perform and observe each and every promise, covenant, condition and agreement set forth in this Lease on its part to be kept, performed or observed within thirty (30) days after written notice of default thereunder from the Tenant, except where fulfillment of the Landlord's obligation requires activity over a period of time and the Landlord shall have commenced to perform whatever may be required to cure the particular default within ten (10) days after such notice and continues such performance diligently and without interruption except for causes beyond its control; and

14.1.2 Tenant's Remedies. Upon an Event of Default by Landlord, and subject to any notice and cure period provided herein, then, in addition to all other rights or remedies set forth in this Lease, the Tenant shall have all rights available to the Tenant as may be permitted from time to time by the laws of the State of California, without further notice or demand to the Landlord.

15. Option to Renew

15.1 Provided that the Tenant is not in default under the Lease, the Tenant, will at its option have the right to renew this Lease during the term for the following additional term of 10 years commencing on the day following the expiry of the Term, which option must be exercised by

notice in writing to the Landlord no sooner than 12 months but no later than 3 months prior to the expiry of the Term (the “Renewal Term”).

15.2 If the Tenant exercises its right to renew this Lease, all the terms and conditions in this Lease will be binding on the Landlord for the Renewal Term, except for:

15.2.1 The right of the renewal exercised;

15.2.2 Routine Maintenance which will become the Tenant’s responsibility up to a maximum of \$150,000 per year with the Landlord reimbursing Tenant for any Routine Maintenance Costs in excess of \$150,000.

15.2.3 Tenant Reimbursement requirement which will not be applicable because the Tenant will become primarily responsible for Routine Maintenance; and

15.2.4 The Rent which shall be adjusted as of the first day of the Renewal Term by the percentage increase equal to CPI for the previous 12-month period. If the CPI for the previous twelve-month period decreases or remains unchanged, then the Rent for the Renewal Term will be the previous year's Rent;

16. Miscellaneous Provisions.

16.1 Compliance with Baseball Rules.

16.1.1 The Landlord hereby acknowledges and agrees that all rights and entitlements granted under this Lease to Tenant are expressly subject to, and must conform with, all Baseball Rules. The term “Baseball Rules” means and includes (1) the constitution, bylaws, and other rules and regulations of the League of which the Tenant’s team is a member, (2) the articles of incorporation, bylaws, and other rules and regulations of The National Association of Professional Baseball Leagues, Inc. d/b/a Minor League Baseball (“NAPBL”), of which the Tenant’s team is a member, (3) the Professional Baseball Agreement (which incorporates by reference the Major League Rules), which is an agreement between the NAPBL and Major League Baseball’s National League and American League for and on behalf of their respective leagues and clubs. The term “Baseball Rules” includes, without limitation, any rule, regulation, restriction, guideline, resolution, or other requirement issued from time to time by any authority (e.g., the League President, the NAPBL President, or the Commissioner of Major League Baseball (“BOC”) under any Baseball Rule including, without limitation, the annual NAPBL Gambling Guidelines (the “Gambling Guidelines”). The Landlord acknowledges having received a copy of the 2014 Gambling Guidelines and certain “gambling-related” provisions contained in the Baseball Rules. The Landlord further acknowledges having received a copy of the bylaws, the National Association Agreement, the Professional Baseball Agreement, Major League Constitution, and Major League Rules. The Tenant shall hereinafter keep the Landlord apprised of any material change made to any of the Baseball Rules that could reasonably affect the rights or benefits of the Landlord under this Lease. The California League, NAPBL, and BOC are hereinafter referred to as the “Baseball Authorities.”

16.1.2 The Landlord and Tenant mutually acknowledge that stadium leases and license agreements, including this Lease, constitute “Regulated Transactions” under Rule 54(a)(3)(F) of the Major League Rules and, to be effective, must be disclosed to the Baseball Authorities and comply with the Baseball Rules. Notwithstanding anything to the contrary contained in this Lease, this Lease shall not be effective until disclosed in accordance with Rule 54(a)(3)(F) and found to be in compliance with the Baseball Rules in all respects.

16.2 Landlord Luxury Box Seats and Community Events. In order to involve the community in its Professional Baseball Events, the Tenant shall provide the following:

16.2.1 The Tenant shall provide to the Landlord the use of two (2) luxury boxes (the “Luxury Box”) for all Professional Baseball Events, provided that if one of those Luxury Boxes is sold as part of an Building Naming Rights agreement, the Tenant and Landlord shall divide equally the proceeds of that sale of the Luxury Box; and

16.2.2 The Tenant shall make available to the Landlord three hundred (300) tickets to Professional Baseball Events during each season during the Term hereof for use by the Landlord, which tickets shall be subject to availability, shall not be more than thirty (30) per game and shall be requested in writing by the Landlord at least seventy-two (72) hours in advance of the desired game. The Tenant shall be entitled to twenty (20) tickets to any Community Event at no cost to be utilized for business related purposes.

16.3 Tenant’s Use of Contractors. In discharging its duties and obligations under this Lease, and in utilizing the Stadium as contemplated herein, the Tenant may engage and contract the services of one or more third party(ies) (e.g., the Tenant may contract with a third party for the provision of concession service, security, etc.).

16.4 Surrender of Possession. At the expiration of the Term, or at the earlier termination of this Lease, the Tenant shall surrender the Stadium at a Minor League Standard. In addition, the Tenant and any third party shall have the right to remove its own property of any kind.

16.5 Nondiscrimination by Tenant. The Tenant shall not discriminate against any employee or applicant for employment because of sex, race, color, creed, or national origin, and shall not discriminate in the provision of service hereunder against any person on the basis of sex, race, color, creed, or national origin.

16.6 Arbitration. Disputes between the parties of this Lease shall be arbitrated as follows (the “Arbitration”):

16.6.1 If at any time during the Term, any dispute, which is subject to arbitration under this Lease, arises and the differences cannot be satisfactorily resolved, it shall be referred to arbitration in the City of Lancaster, County of Los Angeles, State of California, to a panel to be determined as follows:

16.6.1.1 Each party shall within ten (10) days after either party’s election to arbitrate, appoint one disinterested individual and the persons so appointed shall,

if they are unable to arrive at a decision within five (5) days, appoint a third arbitrator; and

16.6.1.2 If either party neglects or refuses to appoint an arbitrator, then the single arbitrator shall resolve the dispute;

16.6.2 The panel of three (3) arbitrators shall then determine the matter in dispute by a determination arrived at by a majority of the arbitrators or by both parties, as the case may be, and such determination shall be final and binding upon the parties, their respective successors and assigns;

16.6.3 The panel shall in hearing evidence and arriving at their decision, may, if they so elect, use the rules of evidence in effect at the time of the arbitration in the State of California;

16.6.4 Judgment on any arbitration award may be entered into a court of competent jurisdiction;

16.6.5 The issues that are subject to arbitration should, if at all possible, be decided by the arbitration determining a remedy, other than the termination of this Lease; and

16.6.6 The parties agree to follow the California expedited arbitration process in conducting an arbitration under this section and if there is a conflict between this process and the Arbitration process provided in this section, the California expedited arbitration process shall take priority.

16.7 Attorneys' Fees and Expert Witness Fees. In the event that either the Landlord or the Tenant shall bring or commence an Arbitration to enforce the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to and shall be paid reasonable attorneys' fees, expert witness fees and Arbitration costs in addition to whatever other relief such prevailing party may be entitled.

16.8 Indemnification. Each party agrees to and shall defend, indemnify, save and hold harmless the other party, its agents, officers, members, managers, employees, elected officials or contractors from any and all losses or damage and from any and all liability, suits, actions or claims brought or made by any person or persons arising or resulting from any and all activities and operations of the particular party, that party's agents, employees or contractors in and about the Stadium and/or arising out of the use of the Stadium, or any part thereof by the applicable party, that party's agents, members, managers, employees or contractors and for injury or damage to persons or property about or within the Stadium while the applicable party or its agents, employees or contractors are occupying the Stadium, or any part thereof, for any reason or in any fashion to the maximum extent permitted by law.

16.9 Relationship. The relationship between the parties shall at all times be deemed to be that of landlord and tenant. The parties do not intend nor shall this Lease be deemed to create a partnership or joint venture

16.10 Assignment. The Tenant shall not assign this Lease, nor any interest therein, nor shall the Tenant sublease the Stadium or any part thereof without first obtaining the written consent of the Landlord, it being expressly understood that such approval may be not be unreasonably withheld by the Landlord.

16.11 Discharge of Claims, and Liens. The Tenant shall discharge or provide for the discharge of all claims which it has authorized or incurred for labor, materials and supplies furnished for or in connection with its use of the Stadium and pay all taxes, assessments or other governmental charges lawfully levied or assessed upon or in respect of the Stadium or any part thereof or upon any of the revenues therefrom, except taxes otherwise payable by the Landlord. The Tenant agrees to keep and shall keep the Stadium free and clear of any mechanic's or materialmen's liens or other liens of any kind or nature for any work done, labor performed, or material furnished thereon contracted for by the Tenant. The Tenant further agrees to indemnify and hold harmless the Landlord and its assignees from and against any and all claims, liens, demands, costs and expenses of whatsoever nature for any such work done, labor performed, or materials furnished.

16.12 Taxes. The Tenant shall pay all taxes (real, personal or whatever other character) that may be levied by any taxing entity other than the Landlord, or as otherwise set forth in this Lease or charged upon the rights of the Tenant to occupy the Stadium, the luxury boxes or upon the Tenant's improvements, fixtures equipment, or the property thereon, or upon the Tenant's operations hereunder. The Landlord acknowledges that the Stadium is a publicly owned facility and is not subject to municipal property taxes. The Tenant shall also obtain and pay for all other licenses or permits necessary or required by law for the conduct of its operations hereunder.

16.13 Covenants and Conditions. Each provision of this Lease performable by the Tenant shall be deemed both a covenant and a condition.

16.14 Notices. Any and all notices or demands shall be in writing. Such notices and demands shall be served either personally or sent by United States mail, and shall be deemed to have been given when personally served or when deposited in the United States mail, certified or registered, with postage prepaid and properly addressed. For the purposes hereof, the addresses of the parties (until notice of a change thereof given in writing to the other party) shall be as follows:

If to Tenant: JetHawks Baseball, LP
Suite 1320 – 999 West Hastings Street
Vancouver, BC V6C 2W2
Attention: Jake Kerr

With a Copy to: Grossman & Stanley
Box 55, Suite 800, 1090 West Georgia Street
Vancouver, BC V6E 3V7
Attention: Peter W. Stanley

If to Landlord: City of Lancaster
44933 Fern Avenue

Lancaster, California 93534
Attention: City Manager

With a Copy to: Stradling Yocca Carlson & Rauth, P.C.
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Allison E. Burns, Esq.

16.15 Governing Law. The laws of the State of California shall govern the interpretation and enforcement of this Lease.

16.16 Execution in Counterparts. This Lease may be executed in counterparts, and when all counterparts have been executed, each counterpart shall be considered an original but when assembled shall constitute one and the same instrument, and shall have the same force and effect as though all of the signatories had executed a single signature page.

16.17 Inspection of Books and Records. The Landlord shall have the right (at the Tenant's office, upon not less than five (5) business days' notice, and during normal business hours) to inspect the relevant books and records of the Tenant pertaining to the Stadium as pertinent to the purposes of this Lease.

16.18 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Lease.

16.19 Holding Over. The occupancy of the Stadium after the expiration of the Term of this Lease shall be construed to be a tenancy from month to month, and all other terms and conditions of this Lease shall continue in full force and effect.

16.20 Non-Liability of Landlord's Officials and Employees. No member, official, officer, employee, agent, or representative of the Landlord shall be personally liable to the Tenant, or any successor in interest, in the event of any default or breach by the Landlord or for any amount which may become due to the Tenant or successor or on any obligations under the terms of this Lease.

16.21 Waivers and Amendments. All waivers of the provisions of this Lease must be in writing and signed by the parties. The waiver by the Landlord of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by the Landlord shall not be deemed to be a waiver of any preceding breach of the Tenant of any term, covenant or condition of this Lease, regardless of the Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Failure on the part of the Landlord to require or exact full and complete compliance with any of the covenants or conditions of this Lease shall not be construed as in any manner changing the terms hereof and shall not prevent the Landlord from enforcing any provision hereof. All amendments must be in writing and signed by the appropriate authorities of the Landlord and the Tenant.

16.22 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

16.23 Terminology. All personal pronouns used in this Lease, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles of sections are for convenience only, and neither limit nor amplify the provisions of the Lease itself.

16.24 Binding Effect. This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors and assigns.

16.25 Quiet Enjoyment. The Landlord covenants, promises and agrees to and with the Tenant that the Tenant, for so long as the Tenant is not in default of this Agreement, shall and may at all times peaceably and quietly have, hold, use, occupy and possess the Stadium throughout the Term.

16.26 Landlord Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by the Landlord, the Landlord's City Manager or his or her designee is authorized to act on behalf of the Landlord unless specifically provided otherwise or the law otherwise requires.

[Signatures begin on next page]

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the date set forth above.

CITY OF LANCASTER,
a California municipal corporation and charter
city

By: _____
Mark V. Bozigian
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED AS TO PROGRAM:

Parks, Recreation and Arts Director

JETHAWKS BASEBALL, LP
by SQUEEZE PLAY, LLC,
Its General Partner

By: _____
Jake Kerr, Manager

EXHIBIT “A”

LEGAL DESCRIPTION AND SITE MAP

[Insert]

EXHIBIT “B”

LANDLORD’S CONCESSION EQUIPMENT

[Insert]

**LEASE TERMINATION AGREEMENT
AND RELEASE OF PERSONAL GUARANTEE**

This Lease Termination Agreement and Release of Personal Guarantee ("Termination Agreement") is made as of November __, 2014, between the **CITY OF LANCASTER**, a California municipal corporation and charter city (the "Landlord"), and **HAWKS NEST, LLC**, a Delaware limited liability company (the "Tenant").

RECITALS

A. The former Lancaster Redevelopment Agency (the "Former RDA") and Clutch Play Baseball LLC ("Clutch Play") entered into a Lease dated as of August 14, 1995 (the "Original Lease"), whereby the Former RDA leased to Clutch Play and Clutch Play leased from the Former RDA the baseball stadium, parking improvements and other related facilities located at 45116 Valley Central Way in the City of Lancaster (the "Stadium"). As used herein, the term "Lease" shall mean the Original Lease and any and all subsequent amendments, modifications and/or extensions thereto, including the letter dated April 27, 1998 by and between the Landlord and Clutch Play, the Extension of Lease Agreement dated April 25, 2000 by and between the Landlord and Clutch Play, the Amendment to Extension of Lease Agreement dated May 25, 2004 by and between the Landlord and Clutch Play, the Assignment and Assumption Agreement dated May 31, 2006 by and between the Landlord, Clutch Play and the Tenant (by which the Lease and the Maintenance Agreement, as defined below, were assigned to and assumed by the Tenant), and the Amendment and Extension of Lease Agreement dated June 8, 2010 by and between the Landlord and the Tenant (the "2010 Amendment").

B. On or about _____, the Former RDA conveyed its right, title and interest in and to the Stadium, subject to the Original Lease, to the Landlord.

C. The Landlord and Clutch Play entered into a Maintenance Agreement dated as of March 8, 2005 (the "Original Maintenance Agreement"), which generally provided that Clutch Play would pay the cost of routine Stadium maintenance. As used herein, the term "Maintenance Agreement" shall mean the Original Maintenance Agreement and any and all subsequent amendments, modifications and/or extensions thereto.

D. Under the 2010 Amendment, Peter A. Carfagna ("Carfagna"), as majority owner of the Tenant, personally guaranteed the Tenant's payment to the Landlord of certain sums, as provided in Section 8.0 of the 2010 Amendment (the "Guarantee").

E. The Tenant and Vancouver Professional Baseball LLP, a British Columbia limited liability partnership (the "Buyer"), have entered into an Asset Purchase Agreement pursuant to which the Tenant has agreed to sell to the Buyer all of the assets and the business of the Lancaster JetHawks Minor League Baseball Team (the "Team"). In connection with the Asset Purchase Agreement, the Buyer anticipates entering into a new lease agreement with the

Landlord for the right to operate the Team and play home games and present other events at the Stadium.

F. The Landlord and the Tenant now wish to enter into this Agreement to terminate the Lease and the Maintenance Agreement in their entirety and for all purposes, except with respect to certain provisions which will survive such termination as expressly provided herein, and to release Carfagna from the Guarantee; provided, however, that such terminations and releases shall be effective only if and when the Tenant pays the Landlord the full amount of all arrearages and other amounts due and payable under the Lease and the Maintenance Agreement.

A G R E E M E N T

NOW, THEREFORE, for valuable consideration paid, including, without limitation, the Landlord's promise to terminate the Lease and the Maintenance Agreement in their entirety, and to release Carfagna from the Guarantee, and in consideration of the surrender of all rights and obligations under the Lease by both parties, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by the parties, the Landlord and the Tenant agree as follows:

1. Effective Date. This Termination Agreement shall become effective as of the first day upon which both of the following shall have occurred (the "Effective Date"):
 - i. The Tenant pays the Landlord the full amount of all arrearages and other amounts due and payable under the Lease and the Maintenance Agreement, which the parties acknowledge and agree equals the aggregate amount of \$309,969.69 as of November 4, 2014 (the "Stadium Arrearage"); and
 - ii. The Lancaster City Council/Successor Agency approves this Termination Agreement by appropriate action and authorizes the City Manager or his designee to execute and deliver this Termination Agreement to the Tenant.
2. Termination of Lease. As of the Effective Date and except as otherwise expressly provided in this Termination Agreement, the Lease and the Maintenance Agreement are hereby terminated and cancelled in their entireties, and shall be of no further force and effect. As a result of such terminations, the Landlord shall be deemed to have waived and relinquished any and all claims against the Tenant under the Lease and the Maintenance Agreement not expressly reserved herein, including the requirement for prior notice of cancellation of the Tenant's insurance (Section 11.02.3 of the Original Lease), any claim for repairs or maintenance by the Tenant (Section 21.0 of the Original Lease), and any claim for damage to the Stadium beyond ordinary wear and tear (Section

2.0 of the 2010 Amendment).

3. Surrender of Possession. As of the Effective Date, the Tenant hereby delivers and surrenders possession and occupancy of the Stadium to the Landlord, free and clear of any liens, claims, conditions or encumbrances against title created by or through the Tenant, and releases, relinquishes and quit claims unto the Landlord any and all right, title or interest possessed or claimed by the Tenant in and to the Stadium and any other property of the Landlord covered by the Lease and/or the Maintenance Agreement. The Landlord hereby acknowledges that it has examined the Stadium and accepts same in its condition as of the Effective Date.
4. Release of the Tenant. As of the Effective Date and except as otherwise expressly provided in this Termination Agreement, the Landlord and the Tenant each release the other, and their respective officials, officers, agents, employees and representatives, from all claims, demands, liabilities and obligations, past, present and future, of whatever kind or character, by reason of or arising or existing in connection with the execution of the Lease and/or the Maintenance Agreement, and any of the terms or provisions thereof, and by reason of the breach or alleged breach, or conduct or activity resulting in breach or alleged breach, of any of the terms or provisions of the Lease and/or the Maintenance Agreement.
5. Release of the Guaranty. As of the Effective Date and except as otherwise expressly provided in this Termination Agreement, the Landlord hereby irrevocably releases and discharges Carfagna and his heirs, successors, assigns and personal representatives from any and all obligations, duties, covenants and responsibilities under the Guarantee. In connection with such release and discharge, the Landlord hereby acknowledges that the payments guaranteed by Carfagna under the Guarantee either have been previously made or are included in the Stadium Arrearage.
6. Condition to Effectiveness of Termination and Release. Notwithstanding any other provision of this Termination Agreement to the contrary, express or implied, the termination of the Lease and the Maintenance Agreement and the release and discharge of Carfagna from the Guarantee as provided in this Termination Agreement shall not become effective nor remain in effect unless and until the Stadium Arrearage is paid in full in good funds. If all or any portion of the Stadium Arrearage paid to the Landlord hereunder is subsequently dishonored, sought to be recouped, or sought to be recovered as a preference, a fraudulent conveyance or otherwise, the foregoing release of the Tenant under the Lease and the Maintenance Agreement, and of Carfagna under the Guarantee (to the extent that the payment sought to be recovered relates to the payments which were guaranteed by Carfagna under the Guarantee), shall automatically be revoked with respect thereto, and shall be and remain binding and enforceable with respect thereto.

7. Survival. Notwithstanding any other provision of this Termination Agreement to the contrary, the provisions of Section 10.0, Indemnification and Hold Harmless, of the Original Lease and Section 8.0, Indemnification/Hold Harmless, of the Maintenance Agreement shall survive the termination of the Lease and the Maintenance Agreement but only to the extent that such claims or liabilities accrued or arise out of transactions or occurrences prior to the Effective Date.
8. Entire Agreement. This Agreement represents the complete understanding between the parties as to the termination of the Lease and the Maintenance Agreement, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties as to the termination of the Lease and the Maintenance Agreement, and supersedes anything to the contrary in the Lease or the Maintenance Agreement. No inducements, representations, understandings or agreements have been made or relied upon in the making of this Agreement, except those specifically set forth in this Agreement. Neither party has any right to rely on any prior or contemporaneous representation made by anyone concerning this Agreement which is not set forth in this Agreement.
9. Severability. No determination by any court, governmental body or otherwise that any provision of this Agreement is invalid or unenforceable in any instance shall affect the validity or enforceability of any other such provision, or such provision in any circumstance not controlled by such determination. Each provision shall be valid and enforceable to the fullest extent allowed by, and shall be construed whenever possible as being consistent with, applicable law.
10. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors or assigns.
11. Further Assurances. The Landlord and the Tenant hereby agree to execute any other instrument or perform any other act reasonably requested by the other party to effectuate the intent and purpose of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Termination Agreement to be executed as of the date set forth above.

CITY OF LANCASTER,
a California municipal corporation and charter
city

By: _____
Mark V. Bozigian
City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

APPROVED AS TO PROGRAM:

Parks, Recreation and Arts Director

HAWKS NEST, LLC
a Delaware limited liability company

By: MAGIS, LLC, Its Manager

Peter A. Carfagna

By: Peter A. Carfagna, Manager of Magis,
LLC

Date: 11/5/14