

# CITY COUNCIL REPORT



Meeting Date: **September 12, 2017**  
 General Plan Element: ***Public Services & Facilities***  
 General Plan Goal: ***Partner with other jurisdictions and agencies***

## ACTION

**Stadium CIP Funds for Outfield Parking Lot and Agility Fields Projects.** Adopt Resolution No. 10899 authorizing the use of up to \$900,000 from the Stadium Facilities Capital Improvement Fund for reconstruction of the Scottsdale Stadium's outfield parking lot; expansion of the east practice fields; modifications to the existing half-diamond and bullpen; and the addition of an agility field with half-diamond.

Authorize a FY 2017/18 budget appropriation transfer from the Stadium Facilities Capital Improvement Fund of up to \$900,000 and a FY 2017/18 General Fund Capital Contingency budget transfer totaling \$65,000 to a newly created capital project to be titled Scottsdale Stadium Half Field Construction.

## BACKGROUND

On March 15, 2005, the Scottsdale City Council approved the Baseball Facilities Agreement among the City of Scottsdale, the Scottsdale Charros, Inc., and the San Francisco Giants Baseball Associates L.P. dba the San Francisco Giants, Contract No. 2005-034-COS (Agreement), for the management and use of the Scottsdale Stadium. Section 14 of the Agreement set up the Stadium Facilities Capital Improvement Fund to which all three parties contribute. The fund is administered by the City of Scottsdale. Section 14.5 of the Agreement outlines how monies in the Stadium Facilities Capital Improvement Fund may be used, upon the approval of all three parties.

The purpose of this action is to authorize expenditures from the Stadium Facilities Capital Improvement Fund in the amount of up to \$900,000 for the reconstruction of the Stadium's outfield parking lot, located on 75<sup>th</sup> Street south of 2<sup>nd</sup> Street, to allow for expansion of the practice fields east of the Stadium.

Additionally, the purpose of this action is to modify the existing half-diamond and bullpen area and add an additional agility field along with a half-diamond to assist with the forecasted 80 major league players attending Spring Training in January 2018. The San Francisco Giants see an expanded need for player development during the Spring Training season. The Giants and City staff have been working toward a Masterplan of the Stadium facility and this area was identified as an immediate improvement need. The Giants and the Charros have provided authorization letters approving the use of fund monies for this purpose (see Attachments 3 and 4).

## ANALYSIS & ASSESSMENT

---

### Recent Staff Action

Community Services Staff has been working with the San Francisco Giants and the Scottsdale Charros to address the need for the reconstruction of the parking lot allowing for expansion of the practice fields east of the Stadium as part of the existing Masterplan process. This will impact parking for the upcoming Spring Training season but all parties are in agreement that alternative parking can be found within the Civic Center Campus. The proposed work will be managed by the Capital Project Management Department with completion by January 2018.

## RESOURCE IMPACTS

---

### Available funding

Funding for the new Scottsdale Stadium Half Field Construction project will come from the existing Stadium Facilities Capital Improvement Fund. Annual contributions to this fund are made jointly by the City, the Scottsdale Charros, and San Francisco Giants as outlined in the Baseball Facilities Agreement, Contract No. 2005-034-COS (see Section 14 of the Agreement, Capital Improvement Fund). Additionally, General Fund Capital Contingency will be used to fund the Capital Project Management Department's overhead costs of managing the project.

### Staffing, Workload Impact

Community Services Management staff and Capital Project Management staff will administer onsite work and contractor supervision.

## OPTIONS & STAFF RECOMMENDATION

---

### Recommended Approach

#### Option A

Adopt Resolution No. 10899 authorizing the use of up to \$900,000 from the Stadium Facilities Capital Improvement Fund for reconstruction of the Scottsdale Stadium's outfield parking lot; expansion of the east practice fields; modifications to the existing half-diamond and bullpen; and the addition of an agility field with half-diamond.

Authorize a FY 2017/18 budget appropriation transfer from the Scottsdale Stadium Facilities Capital Improvement Fund of up to \$900,000 and a FY 2017/18 General Fund Capital Contingency budget transfer totaling \$65,000 to a newly created capital project to be titled Scottsdale Stadium Half Field Construction.

#### Option B

Do not adopt Resolution No. 10899 authorizing the use of up to \$900,000 from the Scottsdale Stadium Facilities Capital Improvement Fund for reconstruction of the Scottsdale Stadium's outfield parking lot to expand the east practice fields. This will result in the parking lot reconstruction not being completed as per the San Francisco Giants request.

**RESPONSIBLE DEPARTMENT(S)**

---

Community Services Division

Capital Project Management Division

**STAFF CONTACT (S)**

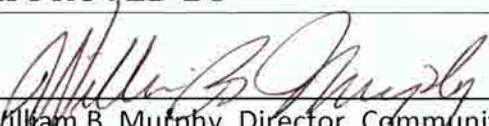
---

William B. Murphy, Director, Community Services, (480) 312-7954

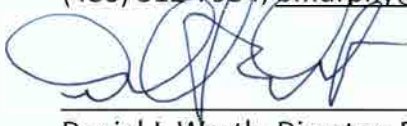
Dan Worth, Director, Public Works, (480) 312-5555

**APPROVED BY**

---

  
William B. Murphy, Director, Community Services  
(480) 312-7954, [bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)


8/29/17  
Date

  
Daniel J. Worth, Director, Public Works  
(480) 312-5555, [dworth@scottsdaleaz.gov](mailto:dworth@scottsdaleaz.gov)

8-29-17  
Date

  
Judy Doyle, Budget Director  
(480) 312-2603, [jdoyle@scottsdaleaz.gov](mailto:jdoyle@scottsdaleaz.gov)

8.29.17  
Date

  
Joyce Gilbride, Accounting Director  
(480) 312-7009, [jgilbride@scottsdaleaz.gov](mailto:jgilbride@scottsdaleaz.gov)

8-29-17  
Date

**ATTACHMENTS**

---

1. Resolution No. 10899
2. Contract No. 2005-034-COS
3. Authorization letter from the San Francisco Giants
4. Authorization letter from the Scottsdale Charros

RESOLUTION NO. 10899

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE USE OF UP TO \$900,000 FROM THE STADIUM FACILITIES CAPITAL IMPROVEMENT FUND FOR RECONSTRUCTION OF THE SCOTTSDALE STADIUM'S OUTFIELD PARKING LOT, EXPANSION OF THE EAST PRACTICE FIELDS, MODIFICATIONS TO THE EXISTING HALF-DIAMOND AND BULLPEN, AND THE ADDITION OF AN AGILITY FIELD WITH HALF-DIAMOND; AND AUTHORIZING THE NECESSARY FY 2017/18 BUDGET TRANSFERS.

WHEREAS, the Baseball Facilities Agreement ("Facilities Agreement") dated March 15, 2005, among the City of Scottsdale ("City"), the Scottsdale Charros, Inc. ("Charros"); and the San Francisco Baseball Associates L.P. doing business as the San Francisco Giants ("Giants"), Contract No. 2005-034-COS, established the Stadium Facilities Capital Improvement Fund ("Fund") as a funding source for ongoing capital improvements to the Facilities; and

WHEREAS, the Facilities Agreement requires approval of the City, Giants, and Charros to withdraw monies from the Fund; and

WHEREAS, to accommodate the expanded need for player development during spring training, the parties desire (i) to reconstruct the Scottsdale Stadium's outfield parking lot, located on 75th Street south of 2nd Street, which will allow for the expansion of the practice fields east of the Scottsdale Stadium, (ii) to modify the existing half-diamond and bullpen area, and (iii) to add an additional agility field with half-diamond (collectively, the "Projects"); and

WHEREAS, both the Giants and Charros have authorized the use of up to \$900,000 from the Fund for the Projects; and

WHEREAS, the City Council wishes to authorize specific expenditures from the Fund for the Projects;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. The City Council hereby authorizes the use of up to \$900,000 from the Fund for the Projects.

Section 2. The City Council hereby authorizes a FY 2017/18 budget appropriation transfer from the Scottsdale Stadium Improvements capital project of up to \$900,000 and a FY 2017/18 General Fund Capital Contingency budget transfer of \$65,000 to a newly-created capital project to be titled Scottsdale Stadium Half Field Construction.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this \_\_\_\_\_ day of September, 2017.


CITY OF SCOTTSDALE, an Arizona  
municipal corporation

ATTEST:

\_\_\_\_\_  
Carolyn Jagger, City Clerk

\_\_\_\_\_  
W.J. "Jim" Lane, Mayor

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Bruce Washburn, City Attorney

By: Kimberly McIntier, Assistant City Attorney

**BASEBALL FACILITIES AGREEMENT**

THIS BASEBALL FACILITIES AGREEMENT (the "Agreement") is made and entered into this 15<sup>th</sup> day of March, 2005, by and among the City of Scottsdale, an Arizona municipal corporation ("City"), Scottsdale Charros, Inc., an Arizona nonprofit corporation ("Charros"), and San Francisco Baseball Associates L.P., a California limited partnership doing business as San Francisco Giants (the "Giants").

**RECITALS**

A. City owns the following municipal recreational facilities:

1. An existing baseball stadium located at the northeast corner of Osborn Road and Drinkwater Boulevard in Scottsdale, Arizona and commonly referred to as Scottsdale Stadium (the "Stadium"). The Stadium refers to any and all portions of the Stadium grounds, including, without limitation, the field, clubhouses, batting cages, pitching mounds, seating areas, concourses, concession stands, offices, parking facilities, press facilities and other improvements at, appurtenant to or about the Stadium.

2. An existing baseball practice facility located at the southeast corner of Camelback Road and Hayden Road in Scottsdale, Arizona commonly referred to as Indian School Park (the "ISP Practice Facility"). The ISP Practice Facility includes the fields, clubhouses, batting cages, pitching mounds, offices and other improvements at, appurtenant to or about the ISP Practice Facility, but exclusive of that portion of the facility referred to as "Club SAR."

B. City proposes to construct improvements to the Stadium and the ISP Practice Facility as set forth in **Exhibit "A"** hereto. The improvements shall include a new practice facility to be located north of Osborn Road immediately east of the Stadium (the "East Stadium Practice Facility"). Once complete, the East Stadium Practice Facility shall be considered as part of the Stadium itself. For the purposes of this Agreement, the term "Baseball Facilities" shall include, without limitation, the Stadium, the ISP Practice Facility, and any and all proposed improvements thereto.

C. City and Charros are parties to the following agreements (collectively the "Original Agreement") relating to the ISP Practice Facility and the Stadium:

1. A certain agreement (COS No. 940004) dated February 14, 1994, concerning Charros' and the Giants' use of the ISP Practice Facility and the Stadium.

2. A certain amendment thereto (COS No. 940004A) dated December 19, 1994, concerning improvements and modifications to the ISP Practice Facility and the Stadium.

D. Pursuant to the Original Agreement, the Baseball Facilities have been used by Giants for spring training, player development and other activities.

E. The parties desire to provide for the Giants to continue to conduct its spring training, player development and other activities at the Baseball Facilities.

F. The parties desire to provide for construction of the East Stadium Practice Facility and certain improvements to the Stadium and the ISP Practice Facility (collectively the "Project").

G. Simultaneously with this Agreement, the parties, respectively, intend to enter into the following additional agreements (collectively, the "Supporting Agreements").

1. An agreement (the "Baseball Agreement") between Charros and Giants whereby Charros and Giants shall reallocate between themselves certain obligations and opportunities imposed upon or granted to them under this Agreement.

2. An agreement (the "Financing Agreement") between City and Arizona Sports and Tourism Authority ("AZSTA") (acting on its own behalf and on behalf of the Maricopa Stadium District, which has assigned all of its revenue rights to AZSTA), which, among other things, will require AZSTA to provide to City certain financing for City to use to construct the Project.

NOW, THEREFORE, for and in consideration of the foregoing and the covenants and agreements contained herein, and other good and valuable consideration, City, Giants and Charros agree as follows:

1. Condition. This Agreement shall be automatically terminated unless the Supporting Agreements, each in form and content acceptable to its parties in their sole and absolute discretion, are entered into no later than April 1, 2005. Upon satisfaction of this condition, the Original Agreement shall be automatically terminated. If this Agreement terminates pursuant to this paragraph, then the Original Agreement shall be in place as if this Agreement had not been made.

2. Term. The term of this Agreement shall be as follows:

2.1 This Agreement shall expire December 31, 2025. Giants may terminate this Agreement on one (1) year's notice if Giants permanently move to a regular season home field east of the Mississippi River, or if the Cactus League is reduced to less than six (6) teams.

2.2 For purposes of this Agreement, the Giants spring training season shall run from January 1 to April 15 of each year. The time of year spring training season occurs is subject to change at the discretion of Major League Baseball. If such change occurs, Giants shall promptly notify City of the newly constituted spring training season for such calendar year. Because of the intensity and complexity of the contemplated use for this period, Giants shall have the exclusive right to use the entirety of the Baseball Facilities during the spring training season.

2.3 This Agreement may be extended for two (2) additional five (5) year periods at Giants' discretion by notice given by Giants to the other parties given not less than nine (9) months before the end of the original term (or first extension, as applicable). City owns the Baseball Facilities. Except for the rights, title and interests expressly set forth in this Agreement,

neither Charros, nor Giants, nor any party contracting with them, own or have any possessory or other right, title, or interest in the Baseball Facilities. Further, the City is providing public recreational and related activities and services to the public through this Agreement. Accordingly, the City intends that no rental or possessory interest tax (a "Possessory Tax") shall be payable to the City pursuant to the Arizona Revised Statutes or otherwise as a result of the amounts payable to the City by Giants or Charros pursuant to this Agreement. This Agreement grants to Giants and Charros an irrevocable long term license to use the Baseball Facility according to the terms of this Agreement during the entire time required by this Agreement.

3. November Notice. No later than the first day of November of each year, Giants shall deliver to City and Charros a notice (the "November Notice"). The November Notice shall include the following:

3.1 A list of the tentative dates and times for the upcoming spring training season games and other activities at the Baseball Facilities during the upcoming spring training season.

3.2 A tentative calendar of player development activities at the Baseball Facilities, outside the spring training season.

3.3 The admission pricing established by the Giants for the upcoming season of spring training games at the Stadium.

4. Use of Baseball Facilities During Spring Training Season. Giants and Charros shall have exclusive use of the Baseball Facilities during the spring training season each year.

4.1 The Giants shall conduct at the Stadium all of Giants' spring training professional baseball home games played in Arizona during the term of this Agreement. Giants shall make reasonable efforts to schedule not less than fourteen (14) spring training games at the Stadium. Giants will make reasonable efforts to bring a full complement of major and minor league players to Scottsdale. The Baseball Facilities shall be Giants spring training headquarters during the term of this Agreement.

4.2 Due to Major League Baseball Arizona Fall League ending approximately November 20 each year, the Stadium field is overseeded after November 20. In order to provide adequate time for turf preparation, the Stadium field may not be available until January 15.

4.3 In the event a player strike or lockout prevents Giants spring training games and activities from occurring during the normal spring training season period, the parties shall endeavor to shift such period to accommodate a delayed spring training season. Giants shall notify City and Charros of likely labor unrest and thereafter keep City and Charros reasonably informed of such labor unrest.

4.4 Notwithstanding the Giants' exclusive right to use the Baseball Facilities, the City retains the right to access the Baseball Facilities in order to perform its duties and responsibilities hereunder and to care for, inspect and otherwise administer the Baseball Facilities. In doing so, City shall use City phones, City computers, other City equipment, City's recreation coordinator's office, City's field maintenance office, City's center field maintenance compound, City irrigation system controllers, two existing City reserved parking spaces, City field maintenance equipment,



and City equipment storage areas. It is also understood and acknowledged that the Giants and Charros shall not use the above-mentioned City assets without City consent. The City has placed a cell phone antenna and related equipment at the Stadium and shall be entitled to maintain and keep all proceeds derived therefrom.

4.5 The Giants shall be entitled to use the Facilities for any use that is customarily conducted by or related to the operation of the Major League Baseball franchise, including, without limitation, the exhibition, presentation and broadcasting of baseball Spring Training Games or Major League Baseball sanctioned exhibitions (e.g., Major League Baseball World Cup events) and activities related thereto; player development activities (e.g., Spring Training, Extended Spring Training, Arizona Rookie League, Instructional League, Rehabilitation Activities, Conditioning Activities); promotional activities (e.g., Fantasy Camps); and related uses by the Parties hereto (the "Permitted Uses").

4.5.1 In addition to the Permitted Uses, the Giants may also allow third parties to use the Facilities for activities consistent with the Permitted Uses, provided that such use is temporary and does not unreasonably interfere with the maintenance and other requirements set forth herein (e.g., special exhibition baseball games, temporary use by other professional baseball teams) (collectively, the "Special Permitted Uses"). If the use proposed is permanent or continuous over more than one Spring Training Season (e.g., any prolonged shared use of the Facilities by another professional baseball team or teams for Spring Training), or if the use is not consistent with the Permitted Uses (e.g., musical concert), the Giants shall meet with the Charros and the City to determine whether the proposed use can and should be reasonably accommodated (collectively, a "Special Third Party Use"). For the purposes of this subsection, any use of the Facilities by another professional baseball team or teams beyond one Spring Training Season shall be deemed a Special Third Party Use, not a Special Permitted Use. If the Parties desire to permit a Special Third Party Use and if such use is acceptable to the City, the Parties shall agree in writing on the terms and conditions whereby the Special Third Party Use can be held at the Facilities.

4.5.1.1 The tentative dates and times for the Special Permitted Uses and Special Third Party Use shall be listed in the November Notice.

4.5.1.2 Charros or Giants shall pay to City any expense City may incur related to the Special Permitted Uses and Special Third Party Use.

4.5.1.3 Giants and Charros shall submit to City all contracts relating to the use of the Baseball Facilities for the Special Permitted Uses and Special Third Party Uses. Any such contract shall not be entered into until City has had five (5) working days to review.

4.5.2 The City and Giants shall be permitted to use and operate all sound equipment at such volumes necessary for the enjoyment of its invitees and for the public address system to be clear and audible in all public areas of the Stadium. The Giants shall not use and operate sound equipment at excessive levels that unreasonably disturb nearby residents.

4.6 Giants' approval is required for all City events at the Stadium during the spring training season. Giants shall grant such approval unless in Giants' reasonable judgment City's proposed event might interfere with Giants' permitted uses of the Stadium.

5. Use of ISP Practice Facility. Giants shall have exclusive use of the ISP Practice Facility as follows:

5.1 Giants shall have year round access to the ISP Practice Facility and exclusive use of portions of the ISP Practice Facility commonly referred to as Fields 1 & 2 and adjacent areas. In addition, the Giants shall have exclusive year-round use of portions of the ISP Practice Facility constituting the clubhouse, training rooms, storage rooms and offices as currently constituted and as improved following the completion of the Project (the "ISP Clubhouse").

5.2 At the November meeting, City shall submit to Giants a tentative list of its proposed uses of the south two fields of the ISP Practice Facility for the coming year. The City shall limit such uses to baseball related activities that begin after 4 p.m. on weekdays or on weekends and legal holidays during the non-spring training season. Giants shall grant approval of such schedule, or shall approve an alternative schedule in Giants' reasonable judgment, if the City's proposed schedule would interfere with Giants' permitted uses of the south two fields at ISP Practice Facility.

6. Fan Parking for Spring Training Games. City shall reserve off-site parking for fans attending spring training games as follows:

6.1 For Saturday and Sunday games, Giants shall have exclusive use of 150 parking spaces in the existing public parking lot just north of the East Stadium Practice Facility (the "Court Parking Lot"). For games held Monday through Friday, Giants shall have exclusive use of only the southernmost eighty-two (82) parking spaces in the Court Parking Lot. When City constructs upon the property immediately north of the Court Parking Lot an additional new parking lot containing more than one hundred (100) public parking spaces, then the preceding sentence's limit on the amount of parking spaces available for Monday through Friday games shall be suspended and one hundred fifty (150) parking spaces will be available to Giants for their exclusive use in the Court Parking Lot. Giants may charge for such parking and retain all revenues therefrom.

6.2 Notwithstanding anything in this Agreement, the Court Parking Lot and all other existing or future parking facilities in the vicinity of the Stadium are part of City's overall Civic Center campus and are subject to ongoing development and redevelopment, which may make such parking unavailable. If City ever develops the Court Parking Lot in a way that would prevent Giants' use of the Court Parking Lot in the manner described above, City will provide Charros and Giants one (1) year's advance notice, and the exclusive use of an equivalent number of reserved spaces at another location within walking distance of the Stadium. This paragraph does not apply to the existing parking lot between the Stadium and Osborn Road, which is addressed in an exhibit to this Agreement and is available for the Giants' exclusive use during each spring training season except as outlined otherwise herein.

7. Contact Persons. City, Charros and Giants acknowledge that administering an agreement of this type requires clear communications among their representatives regarding design and construction of the Project, use of the Baseball Facilities, and the other aspects of this Agreement. To that end, City, Charros and Giants shall do the following:

7.1 Contact Persons Required. City, Charros and Giants shall each designate persons (collectively the "Contact Persons") for the following positions:

7.1.1 City shall designate the following:

7.1.1.1 A person (the "City Baseball Contact Person") to speak for City. The scope of such person's responsibility shall be all issues involving baseball operations, except for the effects of Project construction on Giants operations at the Baseball Facilities. Until City designates another person, the person who shall be the City Baseball Contact Person shall be Bill Murphy or his designee.

7.1.1.2 A person (the "City Project Contact Person") to speak for City. The scope of such person's responsibility shall be all issues involving design and construction of the Project, including the effects of Project construction on Giants operations at the Baseball Facilities. Until City designates another person, the person who shall be the City Project Contact Person shall be Al Dreska or his designee.

7.1.1.3 A person (the "City Other Issues Contact Person") to speak for City. The scope of such person's responsibility shall be all other aspects of this Agreement. Until City designates another person, the person who shall be the City Other Issues Contact Person shall be Deb Baird or her designee.

7.1.2 Giants shall designate the following:

7.1.2.1 A person (the "Giants Baseball Contact Person") to speak for Giants. The scope of such person's responsibility shall be all issues involving baseball operations, except for the effects of Project construction on Giants operations at the Baseball Facilities. Until Giants designates another person, the person who shall be the Giants Baseball Contact Person shall be Alfonso Felder or his designee.

7.1.2.2 A person (the "Giants Project Contact Person") to speak for Giants. The scope of such person's responsibility shall be all issues involving design and construction of the Project, including the effects of Project construction on Giants operations at the Baseball Facilities. Until Giants designates another person, the person who shall be the Giants Project Contact Person shall be Alfonso Felder or his designee.

7.1.2.3 A person (the "Giants Other Issues Contact Person") to speak for Giants. The scope of such person's responsibility shall be all issues involving baseball operations, except for the effects of Project construction on Giants operations at the Other Issues Facilities. Until Giants designates another person, the person who shall be the Giants Other Issues Contact Person shall be Alfonso Felder or his designee.

7.1.3 Charros shall designate a single person to serve as Charros Contact Person on all issues.

7.2 Communications with Contact Persons. City, Charros and Giants shall have the right to accept each Contact Person as the entity's spokesman with respect to issues within the Contact Person's scope of responsibility and to insist that:

7.2.1 Each other entity communicate through its appropriate Contact Person.

7.2.2 The applicable Contact Person from the other entities participates in any discussions with that entity regarding any issue within that Contact Person's scope of responsibility.

7.2.3 The Contact Person respond to issues in writing, if requested.

7.3 Notices to Contact Persons. Where this Agreement specifically requires that notice be given to a Contact Person, the following shall apply instead of the regular notice provisions of this Agreement:

7.3.1 Notices to a Contact Person shall only be given by the Contact Person whose scope of responsibility is the same as the person to whom the notice is given, except that notices designating a new Contact Person may be given by the outgoing Contact Person or by the Other Issues Contact Person.

7.3.2 Notices shall be in writing, by fax or email or hand-delivery, and shall be effective when delivered to both:

7.3.2.1 The other entity's Other Issues Contact Person.

7.3.2.2 The other entity's corresponding Contact Person who has responsibility for the same specific issues as the changed Contact Person. For example, a change of the City's Project Contact Person requires notice to Giants' Project Contact Person.

7.3.3 A notice designating a new Contact Person shall specify the name, title, mailing address, physical address, e-mail address, phone number and area of responsibility of the new Contact Person.

8. Periodic Meetings. City, Charros and Giants Contact Persons shall meet as follows:

8.1 Meeting Purposes. This meeting process is not intended to interfere with or replace ongoing, positive, constructive dialog among City, Charros and Giants regarding all aspects of this Agreement. It is intended to provide regular opportunities for City, Charros and Giants to work through issues so that the issues are rapidly identified, discussed and resolved. The meeting frequencies are set in order to allow the Contact Persons to be continually informed of the issues that affect them so that they can timely respond.

8.2 Meeting Frequency. The Agreement provides for many meetings among Contact Persons. This is not intended to force the parties to have all the meetings listed. Instead, these

meeting frequencies are defaults to be used when the parties have active issues to work out. The involved Contact Persons are encouraged to cancel unnecessary meetings.

8.3 Senior Representatives. If a Contact Person believes that an issue discussed at a meeting will not be timely resolved satisfactorily, the Contact Person shall give the other Contact Person notice that both Contact Persons are to bring with them to the next meeting a more senior representative to address the issue.

8.4 Baseball Meetings. City and Giants Baseball Contact Persons shall meet periodically to discuss issues within the scope of their responsibilities as follows:

8.4.1 Unless the Contact Persons agree otherwise with respect to a specific meeting, meetings shall occur each game day during the spring training season each year at 10:00 a.m. and as otherwise needed. Outside the spring training season, meetings shall be held on the fifth day of each month (or, if that day is a weekend or holiday, the first workday thereafter).

8.4.2 Charros Contact Person shall attend meetings each game day, and as otherwise requested by Giants or City.

8.4.3 Unless all the Contact Persons agree otherwise with respect to a meeting, Contact Persons shall attend meetings in person.

8.4.4 The Contact Persons shall respond immediately to questions or decisions raised in the meeting or as soon as reasonably practical. If such response does not resolve the issue, then the Contact Persons shall meet as often as either Contact Person may request concerning the issue until it is resolved.

8.4.5 A Contact Person may raise at a meeting any topic within the scope of responsibility, but meetings are intended to especially focus on:

8.4.5.1 Baseball operations.

8.4.5.2 Security.

8.4.5.3 Player development plans.

8.4.5.4 Concessions.

8.4.5.5 Repairs, improvements and maintenance.

8.4.5.6 Schedule changes.

8.4.5.7 City events.

8.5 Project Meetings. City and Giants' Project Contact Persons shall meet periodically to discuss issues within the scope of their responsibilities as follows:

8.5.1 Unless the Contact Persons agree otherwise with respect to a meeting, meetings shall occur weekly or as needed beginning on the date of this Agreement and ending upon completion of construction of the Project.

8.5.2 Unless all of the Contact Persons agree otherwise with respect to a particular meeting, the Contact Persons or their designee shall attend the meeting in person. Meetings will be held at 7447 East Indian School Road, Suite 205. Charros Contact Person will attend when requested by City or Giants.

8.5.3 The Contact Persons shall respond immediately to questions raised and make decisions in the meeting or as expeditiously as reasonably practical thereafter. The Giants and Charros shall provide expeditious approval wherever required in the course of the Project. If such response does not resolve the issue, then the Contact Persons shall meet as often as either Contact Person may request concerning the issue until it is resolved. If the Giants Project Contact Person does not provide a workable response within a reasonable period of time, City shall notify the Giants in writing and choose a workable response in City's reasonable discretion. A workable response is one that does not reverse decisions already made concerning the Project and does not materially increase the cost of the Project, the scope of the Project, the time to construct the Project, or the cost of maintaining the Project after completion.

8.5.4 A Contact Person may raise at a meeting any topic within the scope of responsibility, but meetings are intended to especially focus on:

8.5.4.1 Project design.

8.5.4.2 Project scheduling.

8.5.4.3 Costs and budget.

8.5.4.4 Construction effects on baseball operations.

8.5.4.5 Contractor issues.

8.6 Other Issues Meetings. City, Charros and Giants Other Issues Contact Persons shall meet periodically to discuss issues within the scope of their responsibilities as follows:

8.6.1 Meetings shall occur as needed.

8.6.2 Unless the Contact Person calling the meeting requests otherwise such meetings may occur telephonically.

8.6.3 The Contact Persons shall respond immediately to questions or decisions raised in the meeting or as soon as reasonably practical. If such response does not resolve the issue, then the Contact Persons shall meet as often as either Contact Person may request concerning the issue until it is resolved.

8.6.4 A Contact Person may raise at a meeting any topic within the scope of responsibility, such as payments and finances, tourism and economic development, etc.

8.7 "All Hands" Meetings. All City, Charros and Giants Contact Persons shall meet periodically to discuss all issues as follows:

8.7.1 Unless the Contact Persons agree otherwise with respect to a meeting, meetings shall occur each November 8, (or, if that day is a weekend or holiday, the first workday thereafter) to discuss the November Notice and again on April 22 (or, if that day is a weekend or holiday, the first workday thereafter).

8.7.2 Unless the Contact Persons agree otherwise with respect to a particular meeting, all Contact Persons shall attend meetings in person.

8.7.3 The Contact Persons shall respond immediately to questions or decisions raised in the meeting or, if immediate response is not practical, before the end of the next workday. If such response does not resolve the issue, then the Contact Persons shall meet as often as either Contact Person may request concerning the issue until it is resolved.

8.7.4 A Contact Person may raise any topic at a November meeting, but meetings are intended to especially focus on:

8.7.4.1 The November Notice.

8.7.4.2 Baseball operations.

8.7.4.3 Player development activity plans.

8.7.4.4 Security.

8.7.4.5 Repairs, improvements and maintenance.

8.7.4.6 Concessions.

9. Construction. The following shall govern design and construction of the Project:

9.1 City shall construct and complete the Project as required by the Financing Agreement. The Project is not completely designed, but City, Giants and Charros have agreed to the Project as outlined in the project description and conceptual plans (collectively the "Project Plan") attached hereto as **Exhibit "A."**

9.2 City shall use the funds it receives under the Financing Agreement with the AZSTA (currently estimated to be Nineteen Million Nine Hundred Seventy Thousand Dollars (\$19,970,000)) together with the additional amount (the "City Project Amount") of Three Million, One Hundred Thousand Dollars (\$3,100,000) for the purposes stated in the "Project Costs" list attached as an exhibit to the Financing Agreement.

9.3 The Project will be constructed in a manner that assures that:

9.3.1 The Stadium will be available and not materially affected by construction activities between February 1 and April 15 until the Project is completed.

9.3.2 The ISP Practice Facility and the ISP Clubhouse will be available and not materially affected by construction activities between February 1 and April 15 until the Project is completed.

9.3.3 Project construction shall not interfere with the holding of spring training games at the Stadium and shall not cause a reduction in the overall Stadium seating capacity for spring training games, nor shall it cause a reduction in revenue opportunities at Scottsdale Stadium enjoyed by the parties prior to commencement of the Project. The Project will inevitably cause minor inconveniences. Project construction may require that player development activities may need to be moved within the Indian School Practice Facility, the East Stadium Practice Facility and the Stadium outside the spring training season.

9.4 As of date of this Agreement, City, Giants and Charros have agreed to the following projected phasing and sequencing for Project construction:

9.4.1 Stadium, Stadium Clubhouse, and East Stadium Practice Facilities, excluding project element "U" (Future Additional Civic Center Campus Parking) to be accomplished from June 1, 2005 to February 1, 2006.

9.4.2 ISP Practice Facility Field Nos. Three and Four (the south two fields) to be accomplished from June 1, 2005 to February 1, 2006.

9.4.3 ISP Practice Field Nos. One and Two (the north two fields) and all remaining ISP Practice Facility elements and the ISP Clubhouse to be accomplished from April 15, 2006 to February 1, 2007.

9.4.4 Future Additional Civic Center Campus Parking, including at least one hundred (100) parking spaces to be accomplished between July 1, 2006 and the date of completion of the remainder of the Project.

9.5 On or before June 1, 2005, City and Giants Project Contact Persons will jointly evaluate and confirm that the projected phasing and sequencing for the Project remains valid or will be revised to incorporate impacts created by final design or other Project requirements. If revision is necessary, the Project construction shall be scheduled for completion no later than February 1, 2008.

9.6 City shall deliver the Project substantially completed in all material respects in accordance with the Project Plan as subsequently refined pursuant to this Agreement and consistent with the full occupancy by the Charros and the Giants for all intended uses by the February 1, 2008 scheduled completion date. The Project shall be completed in a good and workmanlike manner and all in full compliance with all applicable laws, zoning ordinances, municipal ordinances, regulations and orders of federal, state, county city, local and regulatory authorities.

9.7 City shall manage the design and construction of the Project in compliance with all applicable laws and ordinances, in close consultation with Giants Project Contact Person. If, at any time, it is determined that the cost of the Project will exceed the amounts available for City to spend, then City and Giants Project Contact Persons shall fully cooperate in joint efforts



to revise the design of Project elements to yield the required cost reductions, while preserving the Project design as contemplated by this Agreement. City shall not be responsible for delays attributable to such redesign. Cost overruns or delays caused by additional Project elements requested by the Giants or Charros pursuant to written change orders and not contemplated by the Project Plan shall be the Giants' or Charros' sole responsibility. City shall bear the risk of all other cost overruns with respect to completing the Project.

9.8 The City shall engage the services of all personnel and professional expertise necessary to design, develop, construct and complete the Project. The Giants shall participate in the selection process of the individuals and/or firms that are retained to perform all such services for the Project, subject to the limitations of the law. Notwithstanding the above, the Giants hereby approve the selection of HOK Sports + Venue + Entertainment and its subcontractors for the Project. The City shall serve as the primary manager of the Project and bear responsibility for oversight, monitoring, coordinating and completing all aspects of the Project in consultation with, and with regular input from the Giants. The City shall obtain the reasonable approval from the Giants for material aspects of the Project. The City shall provide the Giants with copies of all relevant documents, monthly reports, meeting notices and site access in a timely manner so that the Giants can meaningfully provide input and guidance on the Project.

9.9 The City shall obtain all types of insurance customarily acquired for large development and/or construction projects and a commercially reasonable amount of such insurance to protect against any and all liabilities that might arise out of the development and/or the construction of the Project and shall name the Giants and Charros as additional insureds under each policy thereunder. To the extent permitted by law, the City shall also indemnify and hold harmless the Giants and Charros and the Giants' and Charros' officials, officers, employees, agents, contractors and volunteers from and against any and all claims, liabilities, losses, damages, costs and expenses arising from the development and/or construction of the Project and from and against all costs, reasonable attorney's fees, expenses and liabilities actually incurred in the defense of such claim, or any action or proceeding brought thereon. In the event any action or proceeding shall be brought against the Giants and/or Charros and/or the Giants' and/or Charros' officials, officers, agents, contractors or volunteers by reason of any such claim, the City, upon notice from the Giants or Charros, shall defend the same at the City's expense by counsel reasonably nominated by City and reasonably satisfactory to the Giants or Charros. Notwithstanding the above, City is not responsible for negligent or intentional acts by Giants or Charros.

9.10 The City represents that the estimated Project cost is the best estimate by the City of all of the costs of the Project and includes only those costs necessary to complete the Project. The estimated Project cost shall include the total costs for development, design, installation, construction, engineering, and other expenses directly related to the construction of the Project, but shall exclude any Project financing costs. Project financing costs means any fees, charges, costs and reserves incurred by the City or third parties to issue, market, sell, make payment on and secure any bonds, loans or financing arrangements, including, but not limited to, all reasonable and necessary financing costs, legal fees and costs and expenses incident thereto.

10. Maintenance and Operations. City, Giants and Charros shall be responsible for maintenance and utilities at the Baseball Facilities during the periods the respective Baseball Facilities are available to Giants and Charros as follows:

10.1 City shall use best reasonable efforts to ensure that the Baseball Facilities meets the standards set out in **Exhibit "B"** attached hereto and is responsive to all reasonable requests made by the Giants (the "Maintenance Standards").

10.2 At City's expense, City shall perform the work responsibility described in **Exhibit "C"** and otherwise maintain the Baseball Facilities in accordance with the standards set forth in this Agreement.

10.3 City shall clean the second floor areas at the Stadium available to Charros and Giants (including carpet cleaning at the end of the spring training season) at Charros expense.

10.4 City shall perform and pay for tarp pulling at three fields identified by Giants in the November Notice.

10.5 Charros shall perform at the Stadium the work responsibility described on **Exhibit "D"** at Charros expense.

10.6 Giants will perform custodial work at the ISP Clubhouse at Giants expense.

10.7 Exclusive of normal wear and tear, Charros or Giants shall reimburse City for all reasonable costs to repair damage to the Baseball Facilities caused by Charros or Giants, respectively. This obligation is limited to damage caused by employees, agents or invitees of the Charros or Giants only and does not include damage caused by third parties or any patrons attending spring training games or other activities at the Baseball Facilities.

10.8 Charros and Giants recognize that adequate time is required to mow, water and groom the fields, and to perform City's other maintenance and other work at the Baseball Facilities. The Charros and the Giants shall provide City reasonably sufficient time to perform such maintenance activities on a timely basis to achieve the quality required by this Agreement.

10.8.1 Whenever reasonably possible, Giants' Baseball Contact Person will notify the City Baseball Contact Person at least seven (7) days in advance if Giants intends to use a Baseball Facility after 4:00 p.m. If such notice is not possible, Giants' Baseball Contact Person will notify the City Baseball Contact Person as soon as such notice is possible. No notice is required with respect to spring training games at the Stadium.

10.8.2 To the extent Giants or Charros activities at the Baseball Facilities prevents City's ability to perform its maintenance and other work at the Baseball Facilities, City shall be excused from the consequences of delays in performing the work and Giants or Charros shall pay to City the increased cost of such work if such work cannot be reasonably performed during normal working hours.

10.8.3 City will be adaptive and responsive to the Giants' reasonable requests in providing the maintenance required by this Agreement. In the event Giants reasonably

determine that City is failing to maintain the baseball fields or perform janitorial and other daily maintenance work at the Baseball Facilities according to the requirements of this Agreement, and if the issue is not resolved after meetings between the City Baseball Contact Person and the Giants Baseball Contact person, then Giants may elect to give City formal notice stating the specific deficiencies and demanding that City perform such work. If City does not perform such work expeditiously and to the reasonable satisfaction of the Giants, then Giants may give an additional formal notice stating the estimated cost of Giants performing such work. If City fails to perform such work as reasonably needed thereafter, then Giants may perform or contract with third parties to perform such work and Giants may send a bill to city in a reasonable amount for such work. City shall pay such bill within thirty (30) days.

10.8.4 Once a baseball field is lighted, City maintenance activity may be performed as late as 10:00 p.m.

10.9 City shall employ a Baseball Facilities Supervisor who shall ensure that all of the necessary and required tasks involved in appropriately maintaining and managing the Baseball Facilities are performed in accordance with this Agreement. The person fulfilling the function of Baseball Facilities Supervisor shall be reasonably satisfactory to Giants and shall work cooperatively and be readily available at reasonable times to respond to any reasonable needs of the Giants as required by this Agreement. Giants Baseball Contact Person shall be consulted and offered an opportunity to participate in the interview process for this position.

10.10 The parties shall not cause any violations of applicable environmental laws at the Baseball Facilities and shall indemnify, defend and hold harmless the other parties from harm caused by such violations.

11. Security and Game Day Services. Charros shall provide at their own expense private security forces, off-duty sworn Scottsdale police officers, and other security resources for spring training games and other events open to the public. Security resources includes emergency medical resources. Charros shall hire City's fire department (or contractor) for emergency medical resources and shall hire sworn Scottsdale police officers for uniformed security. Baseball Contact Person meetings shall include discussion of crowd size, crowd behavior, security threats, and any other factors that may bear on the resources to provide public safety at upcoming baseball activities. The Giants, Charros and City shall jointly prepare a written security plan for the Baseball Facilities and each anticipated use thereof. The plan shall identify and define the role and responsibilities of all uniformed security personnel (such as on-duty and off-duty sworn police officers) and all non-uniformed security personnel (such as private security personnel who wear private security company uniforms). City shall provide traffic control or security off of the Baseball Facilities premises according to its normal practices for events involving large crowds. Except as specified herein, City shall only provide security on or off the Baseball Facilities at the normal police, fire and EMT service levels as City may provide to its citizens generally. Charros or Giants shall provide at no cost to City ticket sellers, ticket takers, parking attendants, clubhouse personnel, ushers, umpires and other game day support necessary.

12. Concessions. The Giants shall be entitled to select the Stadium concessionaire and grant exclusive rights to concession operations at the Stadium. The Giants shall consult with the City prior to initiating the selection process for a new Stadium concessionaire. The Giants shall

control and keep all revenue from the granting of such rights and the sale of concessions at Giants spring training games and other Permitted uses held at the Stadium under this Agreement subject to the following:

12.1 No alcohol shall be served at the Stadium other than beer and wine, unless otherwise authorized and approved by City's City Council.

12.2 Once the existing concession agreement between the Giants and the Stadium concessionaire expires, the Giants shall require in a new agreement with a Stadium concessionaire (and successor concessionaires, if requested by City) that it will agree to enter into a reasonable contract with City to provide reasonably satisfactory service for significant events other than spring training games during the term of this Agreement. Giants shall cause Stadium concessionaire to offer City the same levels and quality of service as it offers to Giants taking into account the nature and size of events and other relevant factors. City and Giants shall provide in their respective concession agreements that any material breach by the Stadium concessionaire of the City or the Giants new concession contract shall be considered an event of default under the other party's concession agreement. Giants Baseball Contact Person shall assist the City Baseball Contact Person in resolving deficiencies in the food concession performance for year-round City events at the Stadium.

12.3 The City shall be permitted to place vending machines in non-public areas of the Stadium only.

13. Baseball Revenues. Charros or Giants shall retain all revenues from spring training baseball games at the Stadium. However, Charros or the Giants, as specified below, shall pay to City the following:

13.1 No later than May 1 of each year of this Agreement, Charros or the Giants, as specified below, shall pay to City the following amounts:

13.1.1 Two Hundred Thousand Dollars (\$200,000) (the "Base Amount"). If this Agreement is extended beyond its original term, the dollar amount in the preceding sentence shall be adjusted upward annually based on changes from the date of this Agreement in the "Consumer Price Index - All Urban Consumers (CPI-U)" published by the U.S. Department of Labor, Bureau of Labor Statistics (the "Index"). Notwithstanding the foregoing, if the Project was not substantially completed by February 15 of the year in which a Base Amount payment is due, then Charros shall pay to City the amount described in paragraph 8.1 of the "Amendment - 94004A" dated December 19, 1994. If the Project is not substantially completed by February 1, 2008, then the Base Amount for that year shall be reduced by One Hundred Thousand Dollars (\$100,000). If the Project is not completed by January 15, 2009 or by any subsequent January 15 thereafter, the City shall forfeit the entire Base Amount.

13.1.2 An amount equal to the lesser of Two Hundred Thousand Dollars (\$200,000) or twenty percent (20%) of City's actual cost during the preceding calendar year of maintaining, operating, and repairing the Baseball Facilities for Charros and Giants use under this Agreement (the "Maintenance Amount"). If this Agreement is extended beyond its original term, the dollar amount in the preceding sentence shall be adjusted upward annually based on

changes from the date of this Agreement in the Index. Notwithstanding the foregoing, if the Project was not substantially completed by February 15 of the year in which a Maintenance Amount payment is due, then the Maintenance Amount for that calendar year shall be zero dollars (\$-0-).

13.1.3 A \$1.00 per ticket surcharge (the "Surcharge") on all spring training baseball paid tickets sold as follows:

13.1.3.1 Giants shall impose and collect the Surcharge and shall pay to City the funds raised, which City shall use for repayment of debt and construction costs incurred by City related to the construction under the Financing Agreement. The Surcharge shall continue for the initial twenty year term of this Agreement, or until all of the incurred debt and construction costs have been repaid, whichever event first occurs.

13.1.3.2 Giants collected the Surcharge in the 2004 spring training season and is collecting the Surcharge during the 2005 spring training season. Upon City's commencement of construction of the Project, Giants shall pay all of those funds to City. If City later abandons the Project, City shall pay those funds to Giants.

13.1.4 All sales taxes and other taxes, fees and amounts that may be applicable to activities or business conducted by Charros or Giants at the Baseball Facilities. The preceding sentence is not intended to create an obligation to pay a Possessory Tax as outlined in Section 2.3 that is not otherwise legally required.

13.1.5 City shall bear the cost of staffing, services, resources and expenses required herein. If the Giants or Charros request additional services above and beyond those required herein, then Charros and Giants shall pay the reasonable cost of such services.

13.2 Where applicable, Charros, Giants and City shall, upon request, provide each other's Baseball Contact Person worksheets, cash register receipts and other materials evidencing the amounts payable under this Agreement.

13.3 Charros shall maintain books and records of financial matters detailing the revenues and expenses relating to this Agreement. The receipt and expenditure activity related to this Agreement shall be accounted for in a separate fund. City shall be entitled to examine or to engage an independent audit firm to examine any such books, records or financial documents upon at least seven (7) days prior written notice.

13.4 Charros shall expend all net revenues attributable to activities undertaken pursuant to this Agreement in ways that will benefit City, or its residents, or both, whether directly or indirectly, tangibly or intangibly. Examples of such expenditures, without limitation, are: gifts or donations for charitable, education, civic or other nonprofit activities or purposes; sponsorship, co-sponsorship or underwriting activities, events or programs which promote City through athletics, the arts, cultural interests, conventions, trade shows or other special events. Expenditures under this provision and their amounts shall be at the discretion of Charros. Charros shall not be required to spend all net revenues in the fiscal year in which they were acquired, but may elect to retain a portion of them, to be used as described herein, in ensuing fiscal years.

13.5 Charros shall submit to City, not later than September 30 of each year, a yearend financial report, covering the immediate past fiscal year period (July 1 through June 30) and detailing all baseball revenues and expenses by category. The report shall additionally account for all funds where revenues exceed expenses. The financial report shall be accompanied by a letter of transmittal which shall contain a listing of the charitable organizations, foundations nonprofit and educational organizations or purposes to which Charros have contributed as a result of revenues realized through this Agreement. The listing of contributions shall be by beneficiary and need not contain the amount of each contribution, but shall indicate the total amount contributed.

14. Capital Improvement Fund. In order to ensure that the Baseball Facilities will continue to meet the Standards for the entire term of this Agreement, including any extension terms hereof, the City and the Parties hereto agree to establish a funding source for ongoing capital improvements to the Facilities. Such capital improvements to the Baseball Facilities shall be above and beyond any maintenance obligations that the City owes to the Giants as specified elsewhere in this Agreement. The Facilities Capital Improvement Fund shall be administered by the City and monies deposited into the Fund shall be invested in a fiscally responsible manner. All fees and costs directly related to the creation and administration of the Facilities Capital Improvement Fund shall be paid from Fund proceeds and shall be subject to the reasonable approval of the Parties.

14.1 Initial City Contribution. On or before April 30, following the fifth Spring Training season held after the completion of the Project, the City shall contribute the sum of Two Hundred Fifty Thousand Dollars (\$250,000) to this new created Fund.

14.2 Initial Charros/Giants Contribution. On or before April 30, following the fifth Spring Training season held after the completion of the Project, the Giants and Charros shall collectively contribute the sum of Two Hundred Fifty Thousand Dollars (\$250,000) to this new created Fund.

14.3 Subsequent Matching Contributions. During each subsequent Spring Training season following the City's initial contribution to the Facilities Capital Improvement Fund, the City, the Charros and the Giants shall make additional contributions to the Fund. The contributions of each the City, the Charros and the Giants shall be of equal amounts and shall be equivalent forty cents (\$0.40) per ticket sold to Spring Training games ("Capital Improvement Contribution") for each particular year. Every five years, the Capital Improvement Contribution shall be increased by five cents (\$0.05) per ticket. On or before April 30<sup>th</sup> of each year, the Giants shall inform the City and the Charros in writing of the total amount of such year's contribution. Within thirty (30) days of receipt of such notice, the Giants, the City and the Charros shall deposit such sum into the Facilities Capital Improvement Fund. Neither the City nor the Charros shall be entitled to place or otherwise collect any surcharge on tickets to fund their obligations to contribute to the Facilities Capital Improvement Fund.

14.4 Capital Improvement Fund Cap. The City, the Charros and the Giants (the "Fund Contributors") shall continue making annual contributions to the Facilities Capital Improvement Fund until such year as the Facilities Capital Improvement Fund balance has reached or surpassed the sum of One Million Dollars (\$1,000,000.00) (the "Fund Cap"). For the purposes

of this section, the Facilities Capital Improvement Fund balance shall be determined as of each November 15 following the City's initial contribution to the Fund as outlined in subsection 14.1 above (the "Fund Balance Trigger Date"). If the Facilities Capital Improvement Fund balance as of the Fund Balance Trigger Date is less than One Million Dollars (\$1,000,000.00), then the Fund Contributors shall make full contributions to the Facilities Capital Improvement Fund for the following year, even if doing so results in the Fund Cap being exceeded. For example, if the Fund balance was Nine Hundred Ninety Thousand Dollars (\$990,000.00) as of the Fund Balance Trigger Date, then the Fund Contributors will be obligated to make full contributions for the following year despite the fact that such contributions will cause Fund Cap to be exceeded. If the Facilities Capital Improvement Fund balance as of the Fund Balance Trigger Date is One Million Dollars (\$1,000,000.00) or more, then the Fund Contributors shall have no further obligation to make contributions to the Fund and no Capital Improvement Surcharge shall be placed on tickets until such year as the Fund balance on the Fund Balance Trigger Date drops below the Fund Cap.

14.5 Use of Fund Proceeds. The City, the Charros and the Giants shall meet annually to determine whether any monies should be withdrawn from the Facilities Capital Improvement Fund and used for improvements to the Baseball Facilities. No withdrawal can be made from the Fund without the reasonable approval of the City, the Charros and the Giants and all such monies must be used only on capital improvements to the Baseball Facilities. Upon termination of this Agreement, any funds remaining in the Facilities Capital Improvement Fund shall be dispersed in equivalent amounts to the City, the Charros and the Giants.

15. Payments When Spring Training Games are not Played. In the event a full season of Giants spring training baseball games, is not played during a year, the amounts payable to City under this Agreement shall be adjusted as follows:

15.1 The Base Amount remains fully payable.

15.2 The Maintenance Amount shall be calculated as otherwise provided, which the parties anticipate may be lower due to decreased maintenance requirements.

15.3 The Surcharge shall be adjusted as follows:

15.3.1 If no spring training games are played in a spring training season (a "Missed Season") then the Giants need not pay the Surcharge to City during the Missed Season. However, Giants shall in subsequent years make up the Surcharge for the Missed Season (the "Missed Surcharge"). The amount of the Missed Surcharge shall be the average of the Surcharge paid to City for the three spring training seasons preceding the Missed Season. Giants shall make up the Missed Surcharge by increasing the per seat Surcharge amount by an amount adequate to repay the Missed Surcharge within the earlier of the next three years or the remaining initial term of this Agreement (or of the extension then in effect, if applicable).

15.3.2 If part of a season is played, then Giants shall, nevertheless, pay the Surcharge for that spring training season based on attendance at the last full Giants spring training season.

15.4 The Parties shall make no Capital Improvement Contribution for a Missed Season.

16. City Promotion. Charros and Giants shall do the following to promote Scottsdale as a tourist destination:

16.1 Charros and Giants will make reasonable efforts promote the City of Scottsdale on radio or television during games transmitted from the City.

16.2 Place a minimum full page advertisement in the official baseball program sold at each spring training home game acknowledging City and its role in providing facilities for the Giants, which allows the opportunity for Charros to raise funds for charitable purposes.

17. Sponsorships, Advertising and Signage. Giants shall have the exclusive right to place advertising at or upon the Baseball Facilities consistent with City policy.

17.1 Advertising signage shall not be permitted on the tops of the dugouts, which shall continue to say "Welcome to Scottsdale Stadium" or similar words promoting Scottsdale as a tourism destination.

17.2 Giants shall have the right to post exterior signage at the Baseball Facilities identifying each of the facilities as the "Home of the San Francisco Giants Spring Training & Player Development Operations".

17.3 Subject to the applicable rules and regulations for naming rights to City facilities, the City and the Giants shall have the right to share proceeds from any commercial naming rights conferred on any portion of the Baseball Facilities. Either party has the right to reject a proposed commercial name for any portion of the Baseball Facilities in their sole and absolute discretion.

17.4 All signs must comply with all applicable laws and design requirements established by the City and applicable to the Baseball Facilities.

18. Scoreboard. The Giants shall be entitled to keep all revenues from advertising on scoreboards and auxiliary scoreboards within the Stadium or ISP Practice Facilities. The Giants shall bear all of the expenses associated with the procurement, installation and maintenance of such scoreboards and expenses associated with the sale, production and placement of scoreboard advertising.

18.1 City shall own the scoreboard at the Stadium. Upon installation of any new scoreboards, the Giants shall give to City a bill of sale for the scoreboard and shall assign to City the warranties and similar rights related to the scoreboard. No liens shall be permitted on the scoreboard.

18.2 The City shall have the right to approve the size and placement of new scoreboards, not to be unreasonably withheld.

19. Use of Trademarks. Charros and City understand and acknowledge that any and all uses of Giants trademarks are governed by Major League Baseball and that the City and Charros



cannot use or grant third parties the right to use any Giants trademarks unless specifically authorized by Giants and Major League Baseball. Before engaging in any promotional activity related to Giants or using any of Giants' trademarks, service marks or other intellectual property of Giants (collectively, the Giants' Marks"), the City and Charros must submit Giants, a proposal describing the concept for the promotional activity and/or any artwork or other items which contain or incorporate any Giants' Marks for Giants' prior approval, which approval Giants may withhold in its reasonable discretion. The City and Charros may not use the Giants' Marks in any interactive media, including its web site, without the approval of the Giants and Major League Baseball.

20. Major League Baseball Documents. This Agreement is subject to approval of Major League Baseball and to the rules, regulations and restrictions of Major League Baseball. Notwithstanding any other provision of this Agreement, this Agreement and any rights or exclusivities granted by the Giants hereunder shall in all respects be subordinate to each of the following, as may be amended from time to time (collectively, the "Major League Baseball Documents"): (a) any present or future agreements entered into by, or on behalf of, any of the Major League Baseball entities or affiliates, or the member Clubs acting collectively, including, without limitation, agreements entered into pursuant to the Major League Constitution, the American and National League Constitutions, the Professional Baseball Agreement, the Major League Rules, the Interactive Media Rights Agreement and each agency agreement and operating guidelines among the Major League Baseball Clubs and a Major League Baseball entity, or (b) the present and future mandates, rules, regulations, policies, bulletins or directives issued or adopted by the Commissioner or the Major League Baseball entities. The issuance, entering into, amendment, or implementation of any of the Major League Baseball Documents shall be at no cost or liability to any Major League Baseball entity or affiliate or to any individual or entity related thereto. The territory within which Charros organization is granted rights is limited to, and nothing herein shall be construed as conferring on Charros rights in areas outside of, the Home Television Territory of Giants, as established and amended from time to time. No rights, exclusivities or obligations involving the Internet or any interactive or on-line media (as defined by the Major League Baseball Entities) are conferred by this Memorandum of Understanding, except as are specifically approved in writing by the applicable Major League Baseball Entity. Any changes to the Major League Baseball Documents shall not be effective against City unless they are effective against all owners of all spring training practice facilities.

21. Indemnification. During the initial term of this Agreement, or any extension hereof, City, Charros and Giants shall defend, indemnify and hold harmless each other and their respective officers and employees from all damages, claims, liabilities, losses and expenses (including attorneys' fees) asserted by third parties for property damage, personal injury, or wrongful death to the extent caused by the indemnitor's failure to properly perform its obligations under this Agreement or to the extent caused by the indemnitor's negligence or intentional misconduct in exercising its rights under this Agreement. Additionally, City shall defend, indemnify and hold harmless Charros and the Giants and their respective officers and employees from all damages, claims, liabilities, losses and expenses including attorneys' fees asserted by third parties for property damage, personal injury or death-related structural or mechanical defects with respect to the Baseball Facilities. The Giants and Charros shall defend, indemnify and hold harmless City and their respective officers and employees from all damages, claims, liabilities, losses and expenses including attorneys' fees relating to baseball operations at the Baseball Facilities. The

indemnifying party shall defend the indemnitee at its expense by counsel reasonably nominated by the indemnifying party and reasonably satisfactory to the indemnitee with respect to any indemnity obligations hereunder.

22. Insurance. Charros, City and Giants shall provide insurance as follows:

22.1 Charros, City and Giants shall secure and maintain Commercial General Liability insurance with a limit not less than Five Million Dollars (\$5,000,000) each Occurrence, Five Million Dollars (\$5,000,000) Products and Completed Operations Liability, and Five Million Dollars (\$5,000,000) General Aggregate; and Automobile Liability insurance with a limit of not less than Five Million Dollars (\$5,000,000) each Accident, insuring against any and all liabilities of the insured in respect to the Baseball Facilities, or arising out of the use or occupancy thereof. Each party's insurance policies shall be endorsed to name the other two parties as Additional Insured. Deductibles and self insurance for the above coverages shall be limited to levels commensurate with the financial capacity of the applicable parties.

22.2 City shall maintain an insurance program for the full replacement value of the Baseball Facilities which may consist of self insurance) and shall name Giants as an additional insured on property insurance covering the Baseball Facilities.

22.3 City, Giants and Charros shall provide to each other certificates of insurance evidencing the coverages required by this section, in the form specified, not less than ten (10) days prior to the commencement of any use term provided for in this Agreement. The certificates shall be directed as provided for notices under this Agreement.

22.4 Insurance evidenced by the certificate of insurance shall not expire, be cancelled, or materially change without thirty (30) days prior written notice to the other parties, and that statement must appear on the certificate. If a policy expires during any use period, as defined in this Agreement, a renewal certificate must be sent to the other parties not later than fifteen (15) days prior to the expiration date.

22.5 Charros and any organizations, entities or persons using the Baseball Facilities pursuant to this Agreement shall maintain workers' compensation insurance covering their employees. The amount of such coverage shall be not less than the statutory minimum amount.

22.6 If the risk exposures significantly change during the course of this Agreement, City shall meet with Giants and Charros to discuss how such additional risk exposures shall be insured. After such consultation, the City shall reasonably determine appropriate coverage to meet the additional risk exposures and shall provide one hundred eighty (180) days advance notice of any such required change. Any change in the insurance requirements hereunder shall be reasonable when compared to insurance provisions for other Major League Baseball spring training and player development facilities.

23. Default. The following provisions shall govern failure by a party to comply with the provisions of this Agreement.

23.1 The following events shall be deemed an "Event of Default" under this Agreement.

23.1.1 If a party shall be in arrears in the payment of any amount under this Agreement and shall not cure such arrearage within ten (10) days after notice of such arrearage.

23.1.2 If a party shall fail to or neglect to perform or observe any other provisions contained herein and such failure or neglect shall continue for a period of thirty (30) days after another party has notified the party in writing of such failure or neglect.

23.1.3 The City's material default under the Financing Agreement or the termination of the Financing Agreement, which materially impacts the timely completion or financing of the Project.

23.2 If despite the financial penalties imposed on City because of Project construction delays (as provided elsewhere in this Agreement) City fails to substantially complete construction of the Project by February 15, 2010, then Giants shall have the unilateral right to terminate the remaining term of this Agreement. For other defaults, the aggrieved party shall be able to assert, exercise or otherwise pursue any and all other rights or remedies, legal or equitable, to which the aggrieved party may be entitled.

#### 24. Damage or Destruction.

24.1 Partial Damage or Destruction. If either the Stadium or the ISP Practice Facility is damaged or destroyed to an extent of less than fifty percent (50%) of the replacement cost of all improvements at the Stadium or ISP Practice Facility, as applicable (excluding land value), City shall rebuild or repair the damage or destruction (except for the Giants fixtures and personal property) as soon as reasonably possible, and this Agreement shall continue in full force and effect, except as may be set forth below.

24.2 Substantial Damage or Destruction. In the event that such damage or destruction exceeds fifty percent (50%) of the replacement costs of all improvements at or on the Stadium or the ISP Practice Facility (excluding land value), City may elect not to rebuild or repair the affected portion of the Stadium or the ISP Practice Facility, as applicable, by giving written notice thereof to the Giants within thirty (30) days after the date of the damage or destruction, in which case the Giants may terminate this Agreement at any time thereafter by written notice to the City and the Charros. If the City does not timely notify the Giants of its election not to repair or rebuild, the City shall rebuild or repair the damage or destruction (except for the Giants fixtures, equipment personalty or other improvements) as soon as reasonably possible, and this Agreement shall continue in full force and effect, except as may be set forth below.

24.3 Temporary Replacement Facilities. During any period that the Stadium or the ISP Practice Facility is partially or totally unsuitable for use by the Giants (as determined by the Giants in its reasonable discretion), the City shall exercise its best efforts to provide the Giants with suitable interim facilities or replacement facilities at no additional cost to the Giants. If the City is not able to provide the Giants with suitable interim or replacement facilities, the Giants shall, at its option, be relieved of its obligations under this Agreement with respect to any spring training season or non-spring training season as to which the Stadium or ISP Practice Facilities are not usable for the purposes intended by this Agreement for all or any part of such spring training season or non-spring training season by reason of such damage or destruction.

24.4 Remedies for Damage or Destruction. Notwithstanding anything contained herein, in the event that the Stadium or ISP Practice Facility is damaged or destroyed to an extent that the Giants, in its reasonable discretion, determines that the Stadium or ISP Practice Facility, as applicable, are unusable by the Giants for an entire spring training season and the City fails to provide reasonable substitute facilities, then the Giants shall have the option to exercise any, or any combination of, the following remedies: (a) terminate this Agreement upon written notice to the Charros and City; or (b) conduct all or a portion of the Giants spring training and other activities (including spring training games) at any other facility in any other location, whereby the Giants shall be relieved of its obligations under this Agreement (including, payment obligations and obligations with respect to any revenue generated by such activities and games) during the subject spring training season or non-spring training season, and, if possible or desired, continue to utilize such portion of the Stadium or ISP Practice Facilities that remains suitable for use by the Giants. Notwithstanding the above, the Giants shall not exercise its termination rights under this subparagraph provided that the City is diligently and expeditiously repairing such facilities in a reasonably satisfactory manner consistent with the standards outlined in paragraph 9 herein.

25. Eminent Domain.

25.1 Effect of Total Condemnation. In the event all of the Stadium or ISP Practice Facilities shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority (a "Taking"), this Agreement shall, upon the Giants' option, terminate and expire as of the date of such taking, and the Giants and the Charros shall thereupon be released from any liability thereafter accruing hereunder. The Giants shall have no claim to the award in condemnation for the fee title which shall entirely go to the City, provided that the Giants reserves its rights with respect to awards in condemnation for its rights under this Agreement, all fixtures and all other items of value (including funds expended or contributed by the Giants towards the renovation or construction of improvements to the Stadium and ISP Practice Facility, including, without limitation, the project ticket surcharge and the capital improvement surcharge).

25.2 Effect of Partial Condemnation. In the event a portion of the Stadium or ISP Practice Facilities shall be appropriated or taken by a Taking, and in the Giants' sole discretion, the remainder of the Stadium or ISP Practice Facilities will not be suitable for the use then being made of the Stadium or ISP Practice Facilities by the Giants, and the City is unable or unwilling with condemnation and/or other proceeds to acquire or add adjacent property to make the Stadium or ISP Practice Facilities suitable for use by the Giants, then the Giants shall have the right to terminate this Agreement as of the date of such Taking upon giving to the Charros and the City written notice of such termination. The Giants shall have no claim to any portion of the award for that part taken or appropriated, provided that the Giants reserves its rights with respect to awards in condemnation for its rights under this Agreement, all Giants fixtures and all other items of value (including funds expended or contributed by the Giants towards the renovation or construction of the Stadium or ISP Practice Facilities, as applicable, including, without limitation, the project ticket surcharge and the capital improvement surcharge).

26. Miscellaneous.

26.1 Mediation. Any dispute between the parties hereto shall be resolved under the following procedures:

26.1.1 The party claiming to be aggrieved shall furnish to the other a written statement of the grievances, including a specification of the contractual provision alleged to have been violated, and factual statement describing the violation and the relief requested or proposed.

26.1.2 The other party shall respond in writing, setting forth its factual statement and any solution proposed. If the responding party does not satisfy the demand of the party claiming to be aggrieved, the parties shall submit the dispute to non-binding mediation in Phoenix, Arizona, before a mediator to be jointly selected by the parties.

26.1.3 The mediation will be conducted in accordance with the American Arbitration Association ("AAA") Commercial Mediation Rules then in effect, as modified herein. The parties will attempt to agree on the identity of the mediator, but if they cannot agree within 10 days after either party gives a mediation notice, either party may request that AAA select the mediator. However selected, the mediator will be unaffiliated with either party and disinterested in the dispute, but knowledgeable concerning the general subject matter of the dispute. The parties will evenly split any fees charged by the mediator or AAA, regardless of the outcome of the mediation. Each party will bear its own attorneys' fees in connection with the mediation.

26.1.4 The mediation will take place in Phoenix, Arizona within 30 days after the selection of the mediator (subject only to the availability of the selected mediator). Each party will prepare and distribute to the mediator, at least 3 days before the mediation, a written summary of its position, which will not exceed 10 double-spaced pages (subject only to individual mediator preference). At the mediation, the parties will attempt in good faith and with the aid of the mediator to resolve the dispute. The written summary, all compromise and settlement materials and all statements, whether oral or written, made by any person at the mediation: (i) will be treated as confidential by both parties and the mediator; (ii) may be disclosed by a party only to legal counsel representing such party in connection with the dispute; and (iii) will not be admissible in any litigation pursuant to Section 23.2.

26.2 Assignment. This Agreement is not assignable by Charros. Giants' rights under this Agreement are intended to always be and remain with Giants, and always be and remain owned and controlled by the same entity that owns and controls Giants' franchise with Major League Baseball. Giants shall pledge and assign Giants' rights under this agreement in a manner that Giants' rights under this Agreement always remain with Giants' Major League Baseball franchise and shall not otherwise assign Giants' rights under this Agreement. Liens and assignments by Giants of Giants' rights under this Agreement are permitted if they comply with this paragraph. All assignments require notice to all other parties. Any purported assignment contrary to this paragraph shall be void. The Giants shall have the right to grant a security interest, mortgage or deed of trust encumbering the Giants' interest under this Agreement as security for payment of any indebtedness of the Giants without obtaining the City's prior written

consent so long as the secured party, mortgagee or trustor under such security interest shall succeed to the rights of the Giants under its Franchise Agreement with Major League Baseball.

26.3 Amendments. This Agreement may not be amended except by a formal writing executed by the parties.

26.4 Enforced Delay; Extension of Time of Performance. Except as provided regarding payments by Charros, performance by any party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes, lock-outs; other major industrial disturbances; civil disturbances; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; blockades; epidemics; quarantine restrictions; freight embargoes; lack of transportation; or unusually severe weather. The Project schedule shall incorporate time for ordinary and customary weather delays, and any Project Completion deadlines shall not be waived due to adverse weather under this paragraph unless the delays are the result of unusual weather patterns that are not reasonably foreseeable. If unusually intense floods prevent use of more than two (2) fields at the ISP Practice Facility for more than three (3) days at a time, City shall arrange for and pay for substitute fields for Giants to use until the fields at the ISP Practice Facility can be used up to the Base Amount and thereafter all additional costs shall be paid by the Charros.

26.5 Limited Severability. If any provision of this Agreement is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any constitutional provision, law, regulation, City code or City charter), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect. If any provision of this Agreement is so severed, this Agreement shall retroactively be deemed reformed in such a manner so that the reformed agreement provides, to the extent reasonably possible, the same rights and benefits to the parties as if such severance and reformation were not required.

26.6 Notices. All notices, demands, requests, and other communications desired or required to be given hereunder ("Notices") shall be in writing and shall be given by: (a) hand delivery to the address for Notices; (b) delivery by overnight courier service to the address for Notices; or (c) sending the same by United States mail, postage prepaid, certified mail, return receipt requested, addressed to the address for Notices. All Notices shall be deemed given and effective upon the earliest to occur of: (x) the hand delivery of such Notice to the address for Notices; (y) one business day after the deposit of such Notice with an overnight courier service by the time deadline for next day delivery addressed to the address for Notices; or (z) three business days after depositing the Notice in the United States mail as set forth in subsection (c) above. All Notices shall be addressed to the addresses listed below. Either party can change the names, references and addresses listed below by providing written notice to the other.

If to City:                    General Manager-Community Services  
                                      City of Scottsdale  
                                      7408 E. Osborn Road  
                                      Scottsdale, AZ 85251

Copy to: City Attorney  
City of Scottsdale  
3939 Drinkwater Blvd.  
Scottsdale, AZ 85251

If to Charros: Scottsdale Charros  
Attn: Patron  
4251 N. Brown Ave., Suite 2  
Scottsdale, AZ 85251

Copy to: Bob Howard  
8283 N. Hayden Road, Suite 100  
Scottsdale, AZ 85258-2455

If to Giants: Alfonso Felder  
Vice President, Administration  
SBC Park  
San Francisco Giants  
San Francisco, CA 94107

Copy to: Jack Bair  
Senior Vice President & General Counsel  
SBC Park  
San Francisco Giants  
San Francisco, CA 94107

By notice from time to time, a party may designate any other street address within Maricopa County, Arizona as its address for giving notice hereunder.

26.7 Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding, negotiation, draft agreements, discussion outlines, correspondence and memoranda or representation regarding Charros or Giants use of the Baseball Facilities.

26.8 Non-appropriation of Funds. If, for any reason, funds are not appropriated by the City Council to perform City's obligations hereunder, City may terminate this Agreement at the end of the current fiscal period. City agrees to give written notice of termination to Charros and Giants at least thirty (30) days prior to the end of its current fiscal year (June 30). Notwithstanding the foregoing, this Agreement shall not terminate if Giants or Charros commits to pay the amounts the City Council fails to appropriate.

26.9 Statutory Cancellation Right. In addition to its other rights hereunder, City shall have the rights specified in A.R.S. § 38-511.

26.10 Applicable Law. All activities of Charros and Giants at the Baseball Facilities shall comply with all applicable laws.

26.11 Headings. Paragraph and similar headings in this Agreement are for convenience of reference only and do not alter or control the meaning of this agreement.

EXECUTED as of the date first given above.

CHARROS: SCOTTSDALE CHARROS, INC., an  
Arizona nonprofit corporation

By:  
Its:

  
PRESIDENT

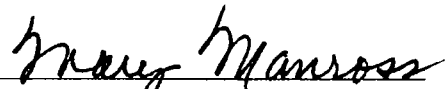
GIANTS: SAN FRANCISCO BASEBALL  
ASSOCIATES L.P., a California limited  
partnership doing business as San Francisco  
Giants

By:  
Its:


\_\_\_\_\_  
\_\_\_\_\_

CITY: CITY OF SCOTTSDALE, an Arizona  
municipal corporation


By:

  
Mary Manross, Mayor

ATTEST:

  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

  
Joseph R. Bertoldo, City Attorney



26.11 Headings. Paragraph and similar headings in this Agreement are for convenience of reference only and do not alter or control the meaning of this agreement.

EXECUTED as of the date first given above.

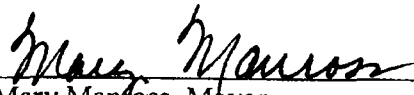
CHARROS: SCOTTSDALE CHARROS, INC., an  
Arizona nonprofit corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

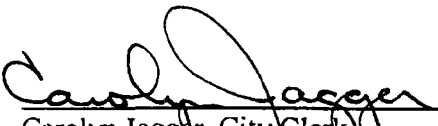
GIANTS: SAN FRANCISCO BASEBALL  
ASSOCIATES L.P., a California limited  
partnership doing business as San Francisco  
Giants

By:   
Its: Senior Vice President

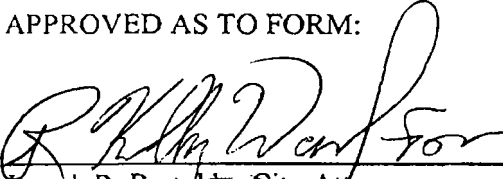
CITY: CITY OF SCOTTSDALE, an Arizona  
municipal corporation

By:   
Mary Marfoss, Mayor

ATTEST:

  
Carolyn Jagger, City Clerk

APPROVED AS TO FORM:

  
Joseph R. Bertoldo, City Attorney

## TABLE OF EXHIBITS

<u>Exhibit</u>	<u>Description</u>
A	Project Description
B	Turf Playing Field and Facility Standards
C	City Work Responsibility
D	Charros Maintenance at Charros Expense

## EXHIBIT "A"

### GIANTS SPRING TRAINING FACILITIES IMPROVEMENTS PROJECT DESCRIPTION

#### Total Project – Combined AZSTA and COS Funded – 3/4/05

The Project involves significant improvements and additions to the facilities commonly known as Scottsdale Stadium and Indian School Park. The Project is subject to change, but currently includes (but is not limited to) the following renovations and improvements at Scottsdale Stadium and Indian School Park listed below and in the attached site plans and floor plans:

#### Scottsdale Stadium - 7408 East Osborn Road in Scottsdale, Arizona

*The Project will expand the current footprint of the Scottsdale Stadium facilities to include new lands currently occupied by 75<sup>th</sup> Street and un-improved land of approximately 4 acres north of Osborn Road.*

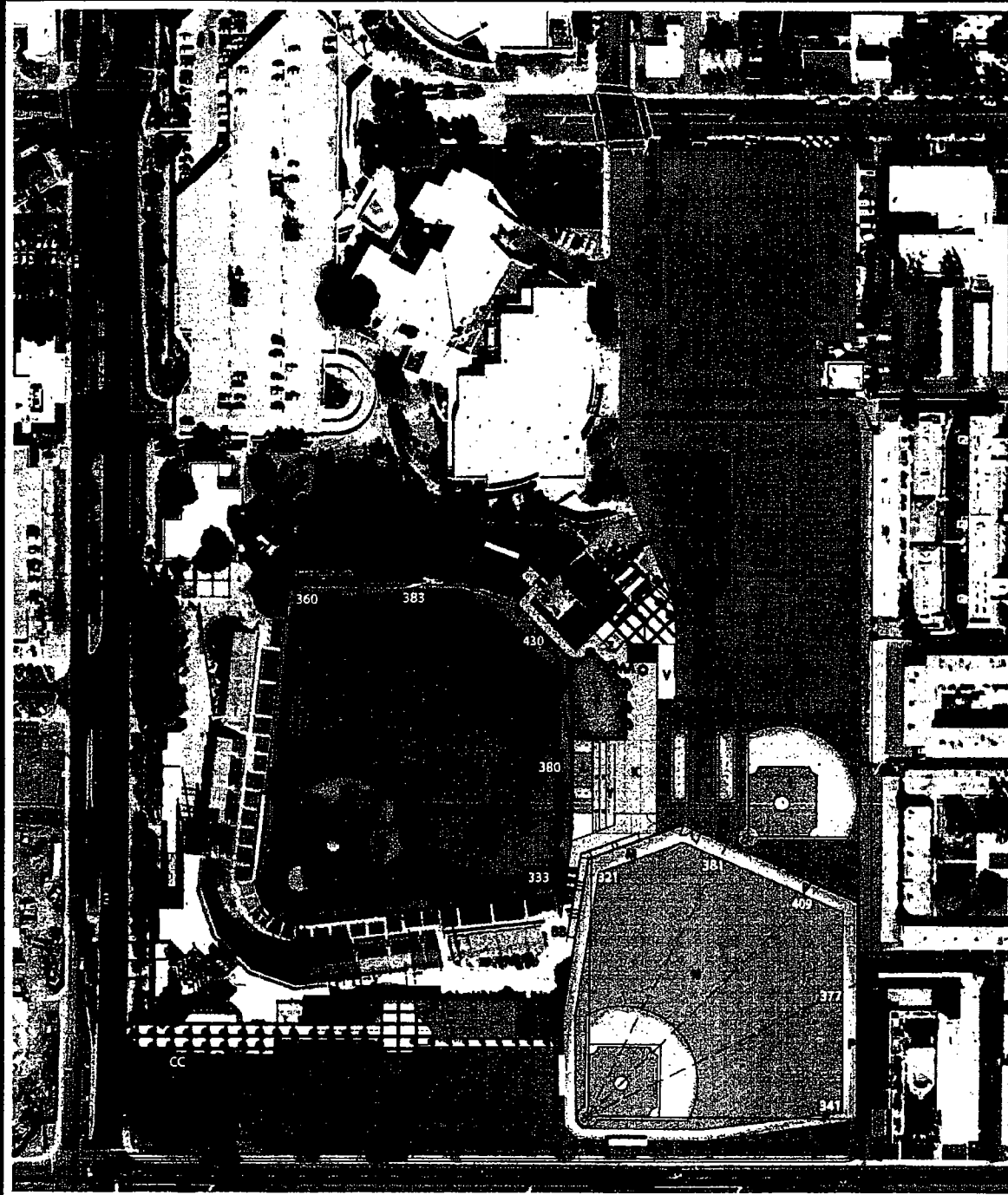
- 1) Construction of one full-sized practice field and one ½ field with required associated improvements (including but not limited to fencing, netting, gates and dugouts)
- 2) Construction of 6-10 "gang-mounds" near the new Practice Fields
- 3) Relocation and reconfiguring of right field bullpen and batting tunnels
  - a) Includes reconfiguration of the seating berm and relocation of restrooms, concessions and pedestrian concourse in right field
  - b) Relocate public entry gate/ticket booth providing direct access to berm seating at new 75<sup>th</sup> Street/Centerfield entry plaza.
  - c) Construction of an elevated walkway connecting the right and left field berms to access relocated restrooms and entry gate
- 4) Renovation of existing Home Team Clubhouse
- 5) Construction of clubhouse expansion (w/weight training and training space) with a direct connection to the existing Home Team Clubhouse at Scottsdale Stadium
  - a) Includes construction of relocated Ticket Sales and Team Store to include a minimum of 2,500 square feet of retail space and 500 square feet of storage space
- 6) Renovation of existing parking facilities to provide access from East Osborn Road and secure player parking facilities
- 7) Construction of new landscaping, pedestrian and parking improvements in areas adjacent to all construction including, but not limited to, gate areas, team store, clubhouse expansion and parking lot.
- 8) Relocation of existing Scoreboard – to create expanded berm seating capacity.

#### Add/Alternate Options

- *Replacement of existing centerfield scoreboard and addition of auxiliary scoreboard atop canopy behind homeplate (or best location to be determined at time of design)*
- *Construction of a permanent restroom and concession/novelty ramada behind the left field berm and adjacent to the location of a new scoreboard*
- *Expansion of press level deck to cover concourse behind existing section 306*

**Indian School Park - 4415 North Hayden Road, Scottsdale, Arizona.**

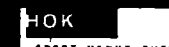
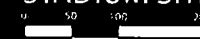
- 1) Complete re-construction of four practice fields and one ½ field with required associated improvements (including but not limited to fencing, lighting, gates, dugouts and paved player access between training facility and field facilities)
  - a) Relocate/reconstruct gang mounds and batting cages (located between fields 1&2 and between fields 3&4)
  - b) Additional restroom located in expanded training facility to serve fields 1&2, and a new restroom facility to serve fields 3&4
  - c) Existing tower between fields 1&2 to remain with storage located under tower.
- 2) Expansion and renovation of existing training facilities adjacent to Club SAR to include two locker rooms, complete professional training and conditioning facilities, offices, equipment rooms, dining, laundry and storage areas (see attached floor plans – first and second floor)
- 3) Secure parking to meet the needs of the Giants year round operations(minimum of 30-40 spaces). Additional parking to meet Giants seasonal needs and Club SAR requirements (additional parking lot capacity of approximately 100 spaces)
- 4) Improvements to the existing batting tunnel building(enclose and air condition)
- 5) Construction of perimeter fence enclosing the four fields, the half field, batting tunnels, clubhouse/training facilities and secure parking facilities (fence to be permanent, unless specifically designed to be expanded for peak season or to accommodate floodplain drainage requirements).
- 6) Construction of new landscaping and pedestrian paving improvements throughout facility to replace or enhance existing amenities.



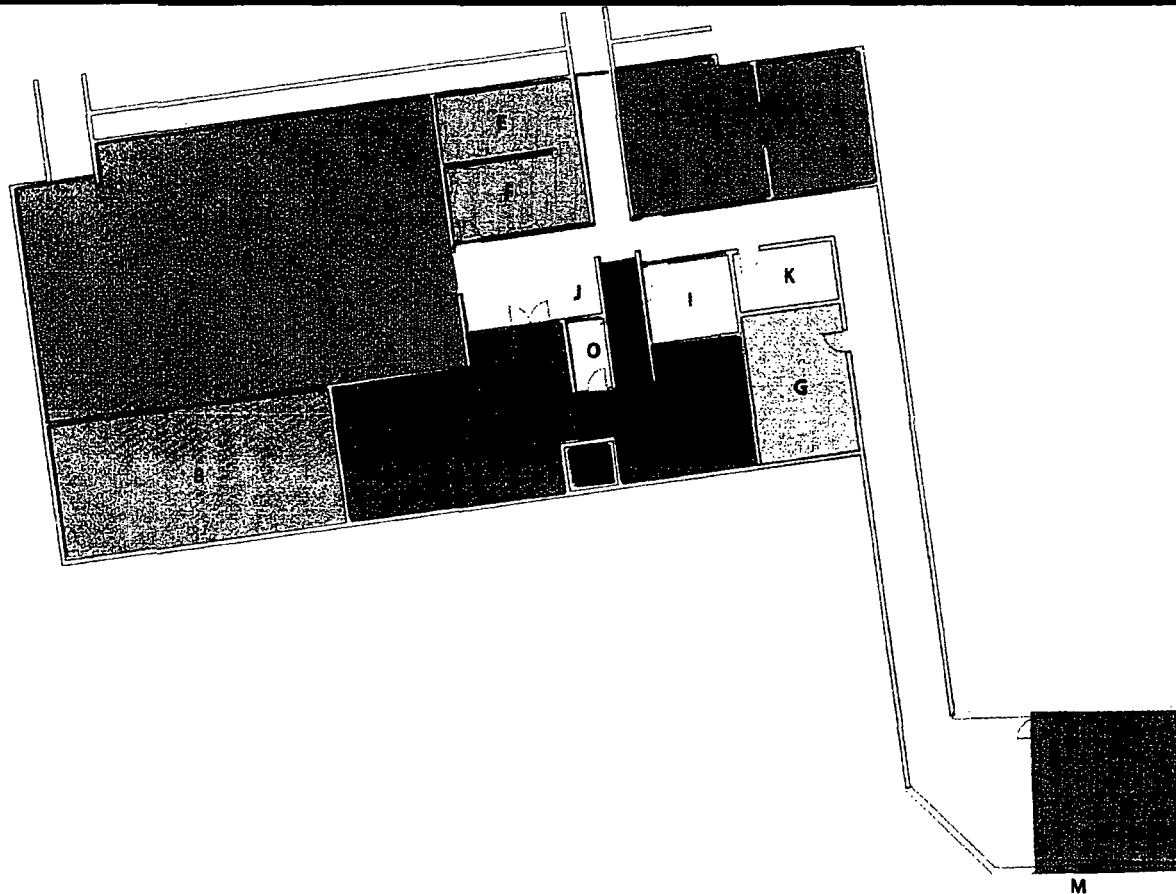
# LEGEND

- A. Renovate Existing Clubhouse
- B. Expanded Clubhouse
- C. Relocated Tickets
- D. Relocated Team Store
- E. Secured Player Parking
- F. Surface Public Parking
- G. Player/Spectator Restroom
- H. Full Size Practice Field
- I. Half Practice Field
- J. Gang Mounds (8)
- K. Batting Tunnels (4) With Deck Above
- L. Bullpen
- M. Practice Wall (Integral With Field Wall)
- N. Landscape Buffer
- O. Restroom Building With Tickets @ Entry Level
- P. Practice Field Protective Netting With Maximum Height Of 75'-100'
- Q. Maintenance Vehicle Access
- R. Relocated Scoreboard
- S. Site Fencing
- T. Existing Civic Center Campus Parking
- U. Future Additional Civic Center Campus Parking
- V. Storage Area
- W. Bus Drop Off
- X. Berm Seating
- Y. Terraced Seating
- Z. Stair
- AA. Elevator
- BB. Ramp
- CC. Expanded Southwest Plaza

## SCOTTSDALE SPRING TRAINING STADIUM SITE



03-04-05



# LEGEND

- A. Players' Locker Room
- B. Players' Grooming Area
- C. Coaches' Locker Room
- D. Coaches' Grooming Area
- E. Manager's Grooming Area
- F. Manager's Office/Locker Room
- G. Staff/Coaches' Meeting Room
- H. Laundry Room
- I. Videotape Room
- J. Press
- K. Clubhouse Manager's Office
- L. Stair
- M. Elevator/Lift
- N. Dining Area
- O. Electrical Room

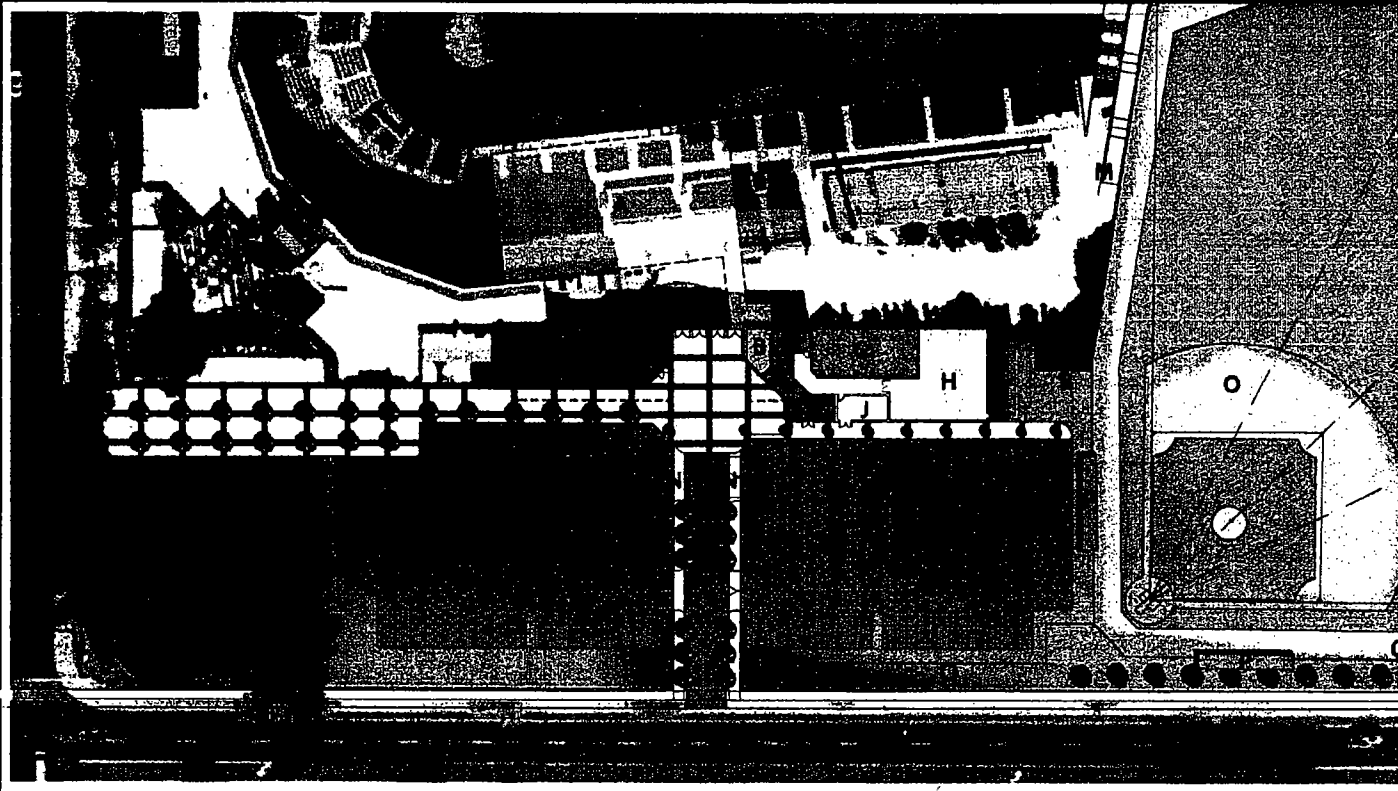
## SCOTTSDALE SPRING TRAINING STADIUM SITE RENOVATED CLUBHOUSE FLOOR PLAN LOWER LEVEL



03 04 05

A-4

A-5



# LEGEND

- A. Renovate Existing Clubhouse
- B. Relocated Tickets
- C. Relocated Team Store
- D. Team Store Storage
- E. Stair
- F. Elevator
- G. Training Room
- H. Weight Training
- I. Entry/Lobby
- J. Equipment Storage
- K. Secured Player Parking
- L. Surface Public Parking
- M. Ramp
- N. Pedestrian Walk
- O. Full Size Practice Field
- P. Dugouts
- Q. Site Fencing
- R. Player/Spectator Restroom

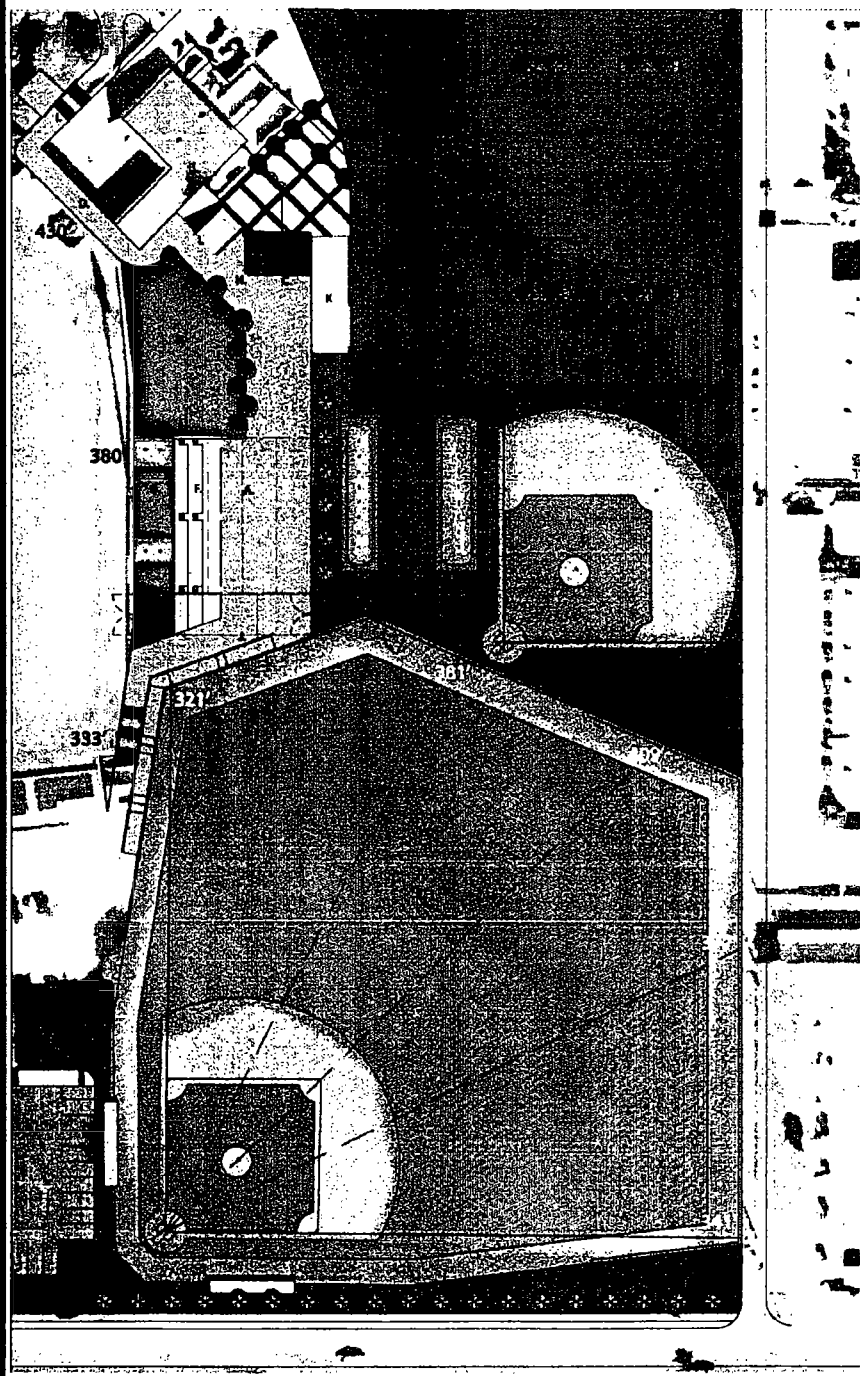
## SCOTTSDALE SPRING TRAINING • STADIUM SITE RECONFIGURED SOUTH ENTRY, PARKING, AND CLUBHOUSE

0 20 40 80



03-04-05

A-6



# LEGEND

- A. Deck Area
- B. Berm Area
- C. Restroom Building
- D. Connecting Walkway To Left Field Berm Area
- E. Full Size Practice Field
- F. Terraced Seating Area
- G. Bullpen
- H. Elevator
- I. Stair
- J. Ramp
- K. Storage
- L. Half Practice Field
- M. Gang Mounds (8)
- N. Maintenance Vehicle Access
- O. Existing Civic Center Campus Parking
- P. Bus Drop Off
- Q. Player/Spectator Restroom

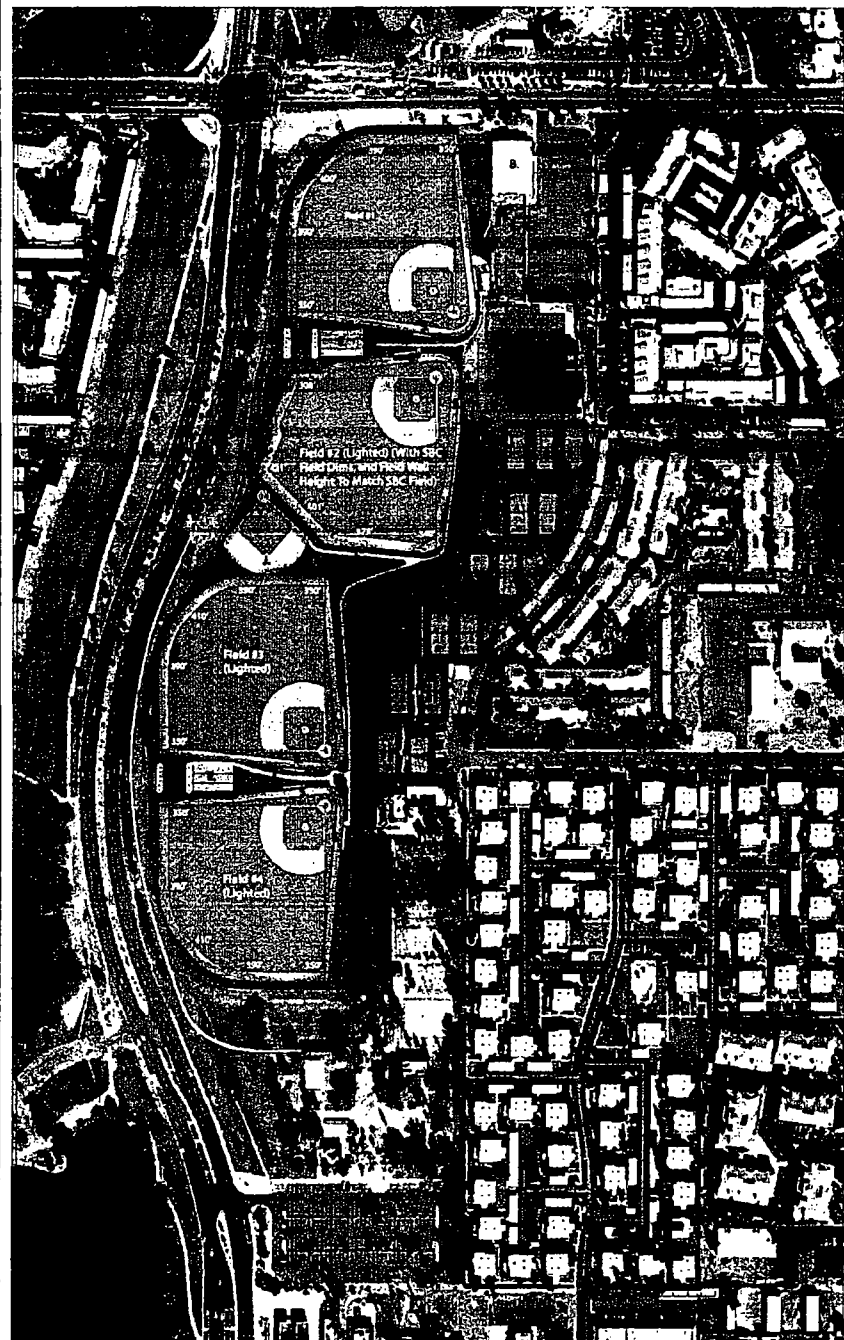
## SCOTTSDALE SPRING TRAINING STADIUM SITE ENLARGED RIGHT FIELD PLAN/UPPER LEVEL

0 25 50 100

HOK

03 04 05





# LEGEND

- A. Public Observation Area
- B. Existing Batting Tunnel Building
- C. Secured Player Parking (30-40 spaces)
- D. Relocated/ Reconstructed Gang Mounds
- E. Relocated/ Reconstructed Outdoor Batting Cages
- F. Existing Field Lighting
- G. Existing Training/Club SAR Footprint
- H. Training Facility Expansion
- I. 6' Paved Field Access
- J. Half Practice Field
- K. 8' Decorative Perimeter Fencing
- L. 8' Perimeter Fencing
- M. Redesigned Park Concourse
- N. Public Parking
- O. Relocated Pedestrian Path
- P. Existing Tower To Remain With Storage Added @ Ground Level
- Q. Restroom Building
- R. Natural Grass Area
- S. Dugouts
- T. Public Entry to Park Concourse

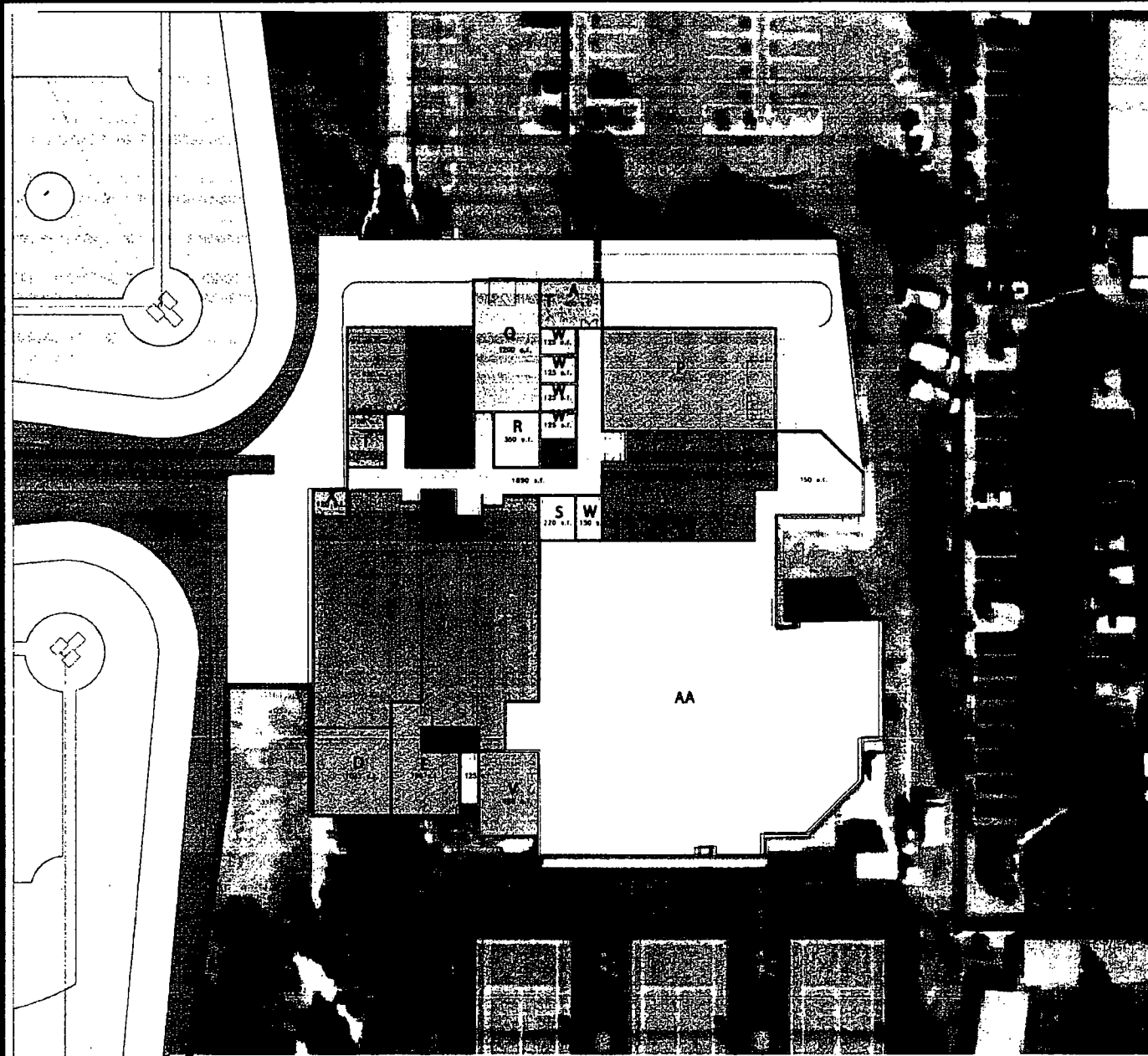
Note: Lighting For Fields 2,3,4 To Be Installed  
Per Existing Masterplan

## SCOTTSDALE SPRING TRAINING INDIAN SCHOOL PARK

0 100 200 400

HOK

03-04-05



# LEGEND

- A. Entry/Lobby
- B. Players' Locker Room #1
- C. Players' Locker Room #2
- D. Players' Grooming Area #1
- E. Players' Grooming Area #2
- F. Coaches' Locker Room
- G. Coaches' Grooming Area
- H. Manager's Grooming Area
- I. Manager's Locker Room
- J. Staff/Coaches Meeting Room
- K. Training Room
- L. Training Staff Office/Locker
- M. Team Doctor's Office/Exam Room
- N. Hydrotherapy Area
- O. Training Storage Area
- P. Weight Training Area
- Q. Equipment Room
- R. Laundry Room
- S. Videotape Room
- T. Press/Family Waiting
- U. Clubhouse Manager's Office
- V. Umpires' Locker Room
- W. Office
- X. Restroom
- Y. Stair
- Z. Elevator
- AA. Club SAR

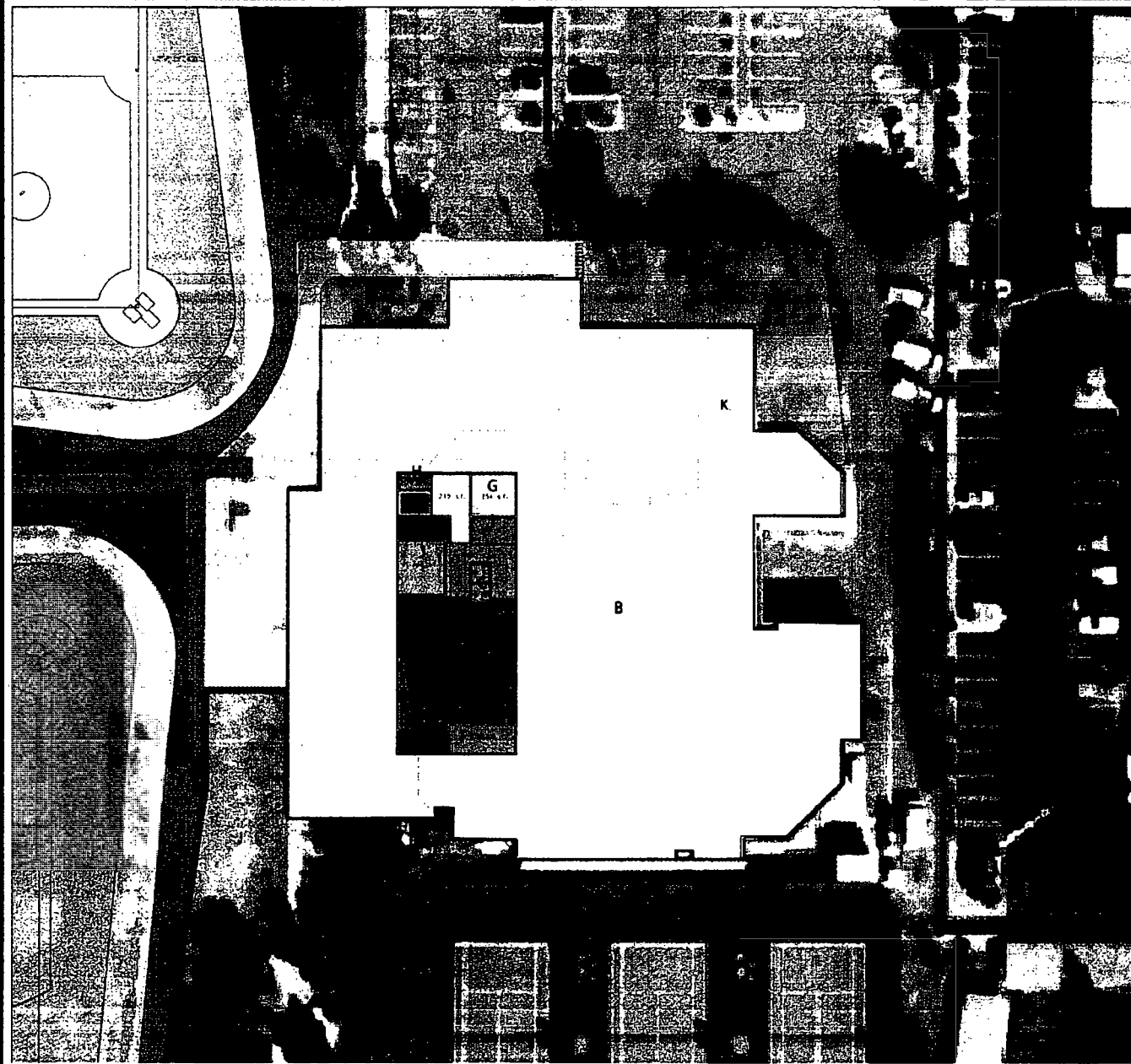
## SCOTTSDALE SPRING TRAINING INDIAN SCHOOL PARK ENLARGED FLOOR PLAN

0 25 50 100



HOK  
HOK

03 04 05



## LEGEND

- A. Meeting/Dining Room
- B. Roof Area
- C. Restrooms
- D. Stair
- E. Elevator
- F. Storage
- G. Auxillary Office
- H. Elevator Room
- I. Electrical Room
- J. Pantry/Kitchen
- K. Line Of Existing Training Facility/  
Club SAR

SCOTTSDALE SPRING TRAINING  
INDIAN SCHOOL PARK  
UPPER LEVEL FLOOR PLAN

0 25 50 100



HOK

03-04-05

## **Exhibit "B"**

### **TURF PLAYING FIELD AND FACILITY STANDARDS**

City shall maintain the field in compliance with approved Major League Baseball standards and keep the fields in a condition commensurate with other first class Major League spring training facilities.

1. Field Maintenance Obligation. All playing fields and surfaces shall be kept in a neat, clean and safe condition, in good order, condition and repair, in compliance with all applicable laws, rules, regulations and ordinances, in a first class manner, to a baseball-industry standard, suitable for Major League Baseball Spring Training and player development use and in accordance with Major League Baseball standards and rules in Attachment 58 Section 13.2-13.2.5.
2. Field Maintenance. The playing field shall be maintained at the highest possible professional level. Every reasonable effort shall be made to insure the safety of the players and the smooth play of the game. The facility shall follow professional grounds-keeping practices and shall utilize proper maintenance equipment. Nail-drags, screens, tampers and rakes are recommended to maintain all dirt areas. Proper turf care equipment (mowers, tractors, etc.) shall be used and an appropriate maintenance plan shall be developed and followed to care for the playing field.
3. Playing Field Reconditioning. The pitcher's mound and base pit areas shall be reconditioned prior to each game through the use of clay materials and tampers.
4. Field Maintenance Materials. All facilities are required to have a sufficient amount of drying material on hand at all times for reconditioning the infield. A chemical drying agent and/or calsonite clay may be used in combination with sand to stabilize areas affected by excessive moisture. Sand may not be the sole drying agent.
5. Layout of Playing Field. The entire playing field shall be laid out to coincide with the provisions of Section 1.04 through 1.08 of the Official Baseball Rules.
6. Irrigation System. All new facilities shall provide a full field irrigation system as well as water lines 1 1/2" or larger behind both home plate and second base for watering the infield grass and base pit areas. It is recommended that a series of water outlets 1" or larger be distributed around the playing field in order to water the field if the irrigation system should become inoperable. It is recommended that a full field irrigation system be provided at all existing facilities.
7. Field Drainage System. All new facilities shall provide an underfield drainage system integrated into the subbase of the turf (natural or synthetic) surface. This system shall be a system of a drain tile fields in a porous collection bed (or similar system) below the turf base. It is recommended an optional slope of .5% be maintained from the base of the pitcher's mound to the baselines from second base to the outfield.

8. The Baseball Facilities shall be kept in a neat, clean and safe condition, in good order, condition and repair, in compliance with all applicable laws, rules, regulations and ordinances, in a first class manner, to a baseball-industry standard, suitable for Major League Baseball Spring Training and player development use and in accordance with major League Baseball standards AND RULES IN Major League Baseball, Attachment 58 Section 13.1 FACILITY MAINTENANCE AND CLEANLINESS. Maintenance programs shall be developed for the Stadium and the Practice Facility. All public areas shall be completely free of trash and rubbish at the opening of each event, and stadium personnel shall be responsible for cleanliness during the event. Each facility shall follow its maintenance program for interior repairs and touch-ups to maintain the professional atmosphere of the facility. Long-term maintenance shall be ongoing in order to deter major facility problems and to minimize potential disruptions to the public.

## Exhibit "C"

### CITY WORK RESPONSIBILITY

1. Stadium for spring training games.

- 1.1 Field maintenance as provided elsewhere in this Agreement.
- 1.2 Clean dugouts.
- 1.3 Trash removal.
- 1.4 Janitorial service of public restrooms.
- 1.5 Clean spectator seating areas.
- 1.6 Clean concourse and stadium perimeter.
- 1.7 Mow berm seating areas.
- 1.8 Sweep parking lot and sidewalks.
- 1.9 Maintain (and replace as needed) lights, sound system, ice machines, HVAC, electrical, plumbing.
- 1.10 Water, sewer and electrical utilities.

2. Stadium for spring training practices.

- 2.1 Field maintenance as provided elsewhere in this Agreement.
- 2.2 Clean dugouts.
- 2.3 Trash removal.
- 2.4 Janitorial service of public restrooms.
- 2.5 Sweep parking lot and sidewalks.
- 2.6 Maintain (and replace as needed) lights, sound system, ice machines, HVAC, electrical, plumbing.
- 2.7 Water, sewer and electrical utilities.

3. East Stadium Practice Facility for spring training practices.

- 3.1 Field maintenance as provided elsewhere in this agreement.
- 3.2 Clean dugouts.
- 3.3 Trash removal.
- 3.4 Clean perimeter of practice fields.
- 3.5 Maintain perimeter nets.
- 3.6 Maintain gang pitching mounds.
- 3.7 Water, sewer and electrical utilities.

4. Stadium Clubhouse.

- 4.1 Water, sewer and electrical utilities.

5. ISP Practice Facility.

- 5.1 Field maintenance as provided elsewhere in this Agreement.
- 5.2 Clean dugouts.
- 5.3 Clean indoor batting tunnel.

- 5.4 Trash removal.
  - 5.5 Janitorial service of public restrooms.
  - 5.6 Clean concourse between building and practice fields.
  - 5.7 Sweep parking lot and sidewalks.
  - 5.8 Maintain (and replace as needed) HVAC, electrical, plumbing.
  - 5.9 Water, sewer and electrical utilities.
6. ISP Clubhouse.
- 6.1 Water, sewer and electrical utilities.

## **Exhibit "D"**

### **CHARROS MAINTENANCE AT CHARROS EXPENSE**

Clean-up and custodial services for all Baseball Facilities other than those specifically required of City, including without limitation the home team and visitor's clubhouses, press box, locker rooms, concession stands, club offices, ticket offices and other areas used pursuant to this Agreement, following the use of the areas. Additionally, Charros shall be responsible for providing telephones and telephone services for the use of Charros, Giants, and the press.

297937\_4



RESOLUTION NO. 6643

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, APPROVING AGREEMENT 2005-034-COS BETWEEN THE CITY OF SCOTTSDALE, THE SAN FRANCISCO GIANTS AND THE SCOTTSDALE CHARROS CONCERNING RENOVATION AND OPERATION OF MAJOR LEAGUE BASEBALL TRAINING FACILITIES.

WHEREAS, Scottsdale is the owner of the Scottsdale Municipal Stadium, a professional baseball spring training stadium, and other practice facilities at Indian School Park, currently used by the Giants Major League Baseball franchise organization; and

WHEREAS, current agreements concerning the facilities will expire in the near future; and

WHEREAS, Cactus League Spring Training is an important community asset providing significant economic benefits and community amenities for Scottsdale's citizens, businesses and visitors; and

WHEREAS, Spring Training in downtown Scottsdale provides convenient access to and from dining, shopping and other attractions in Scottsdale; and

WHEREAS, the City of Scottsdale is committed to maintaining and enhancing these important community benefits; and

WHEREAS, Spring Training in general, and the Giants Franchise in particular, enhance Scottsdale's contribution to the economic and social sectors of the greater community; and

WHEREAS, Spring Training in downtown Scottsdale enhances the possibilities for future community enhancements, as well as enhancing, preserving and expanding opportunities for Scottsdale and its citizens generally; and

WHEREAS, Spring Training Scottsdale is crucial to the future of the residents and business community of downtown Scottsdale, the entire City of Scottsdale, and the public generally;

BE IT RESOLVED by the Council of the City of Scottsdale as follows:

SECTION 1. That the Council hereby approves, and Mayor Mary Manross is hereby authorized to sign, that Agreement entitled " Baseball Facilities Agreement" Scottsdale Agreement No. 2005-034-COS, regarding renovation and operation of Major League baseball facilities.

RESOLUTION NO. 6643  
Page 2

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County,  
Arizona this 15th day of March, 2005.

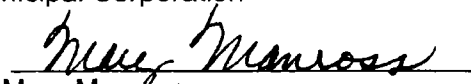
ATTEST:

By:

  
Carolyn Jaggen  
City Clerk

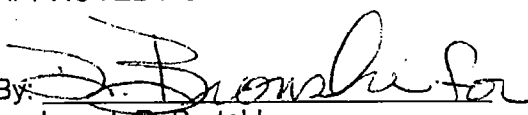
CITY OF SCOTTSDALE, an Arizona  
Municipal Corporation

By:

  
Mary Mangross  
Mayor

APPROVED AS TO FORM:

By:

  
Joseph R. Bertoldo  
City Attorney

RESOLUTION NO. 6643

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, APPROVING AGREEMENT 2005-034-COS BETWEEN THE CITY OF SCOTTSDALE, THE SAN FRANCISCO GIANTS AND THE SCOTTSDALE CHARROS CONCERNING RENOVATION AND OPERATION OF MAJOR LEAGUE BASEBALL TRAINING FACILITIES.

WHEREAS, Scottsdale is the owner of the Scottsdale Municipal Stadium, a professional baseball spring training stadium, and other practice facilities at Indian School Park, currently used by the Giants Major League Baseball franchise organization; and

WHEREAS, current agreements concerning the facilities will expire in the near future; and

WHEREAS, Cactus League Spring Training is an important community asset providing significant economic benefits and community amenities for Scottsdale's citizens, businesses and visitors; and

WHEREAS, Spring Training in downtown Scottsdale provides convenient access to and from dining, shopping and other attractions in Scottsdale; and

WHEREAS, the City of Scottsdale is committed to maintaining and enhancing these important community benefits; and

WHEREAS, Spring Training in general, and the Giants Franchise in particular, enhance Scottsdale's contribution to the economic and social sectors of the greater community; and

WHEREAS, Spring Training in downtown Scottsdale enhances the possibilities for future community enhancements, as well as enhancing, preserving and expanding opportunities for Scottsdale and its citizens generally; and

WHEREAS, Spring Training Scottsdale is crucial to the future of the residents and business community of downtown Scottsdale, the entire City of Scottsdale, and the public generally;

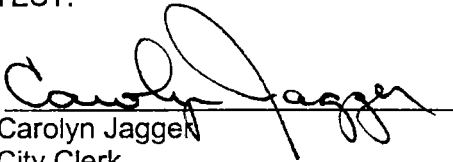
BE IT RESOLVED by the Council of the City of Scottsdale as follows:

SECTION 1. That the Council hereby approves, and Mayor Mary Manross is hereby authorized to sign, that Agreement entitled "Baseball Facilities Agreement" Scottsdale Agreement No. 2005-034-COS, regarding renovation and operation of Major League baseball facilities.


RESOLUTION NO. 6643  
Page 2

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County,  
Arizona this 15th day of March, 2005.

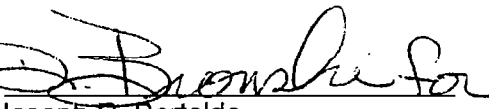
ATTEST:

By:   
Carolyn Jagger  
City Clerk

CITY OF SCOTTSDALE, an Arizona  
Municipal Corporation

By:   
Mary Manross  
Mayor

APPROVED AS TO FORM:

By:   
Joseph R. Bertoldo  
City Attorney



August 29, 2017

Bill Murphy  
Executive Director Community Services  
7447 E Indian School Rd, Suite 300  
Scottsdale, AZ 85251

The San Francisco Giants authorize expenditures from the Stadium Facilities Capital Improvement Fund, per our contract 2005-034-COS, in an amount to be determined but not to exceed \$900,000 to renovate the player training facilities at Scottsdale Stadium. The scope of this project includes but is not limited to reconfiguring the existing half field, creating a new PFP drill field, relocating of the gang mounds, creating a cardio/training hub near the batting cages, and the installing sod for an agility field. This project is to be completed prior to the 2018 spring training season.

Thank you,

A handwritten signature in blue ink, appearing to read 'Sara Hunt'.

Sara Hunt  
Vice President, Event Strategy & Services  
San Francisco Giants



## Scottsdale Charros

### BOARD OF DIRECTORS

**Todd Peterson**  
Patron  
Matsock & Associates

**Matt White**  
Segundo  
Caretaker Landscape and Tree  
Management

**Kevin Seabolt**  
Ladron  
Seabolt & Vincent, LLP

**Garrett Smith**  
Secretario  
Vendor Link USA

**Steven Underwood**  
Alegrador  
Phoenix Commercial Advisors

**David Westra**  
Pasado  
Miller-Russell & Associates

**Tim Cowdrey**  
Senor  
RBC Wealth Management

**Dennis Robbins**  
Executive Director

August 29, 2017

Bill Murphy  
Executive Director  
Community Services  
City of Scottsdale  
7447 E. Indian School  
Suite 300  
Scottsdale, AZ 85251

Dear Mr. Murphy,

This letter shall serve as the Scottsdale Charros authorization to withdraw funds from the Baseball Capital Improvement Fund per our contract 2005-034-COS. The use of these funds is for the expansion of the stadium half diamond practice area and agility fields. The total cost of the project will not exceed \$900,000. We understand this project will be on the City Council agenda for approval on September 12, 2017 and that the work will be accomplished by January 1, 2018.

Thank you,

Dennis Robbins  
Executive Director  
Scottsdale Charros