

**2022 AMENDED AND RESTATED
SPORTS PARK LEASE AGREEMENT**

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AMENDED AND RESTATED
SPORTS PARK LEASE

This 2022 AMENDED AND RESTATED SPORTS PARK LEASE (this “Agreement”) is made this _____ day of _____, 2022, by and between the CITY OF CHINO HILLS (“Landlord” or “City”) and BIG LEAGUE DREAMS CHINO HILLS, LLC (“Tenant”).

RECITALS

A. Landlord and Tenant entered into that certain agreement entitled, “Sports Park Lease,” dated June 22, 1999 (the “Sports Park Lease”) by which Landlord agreed to develop a multi-purpose recreational sports facility (the “Sports Park,” as further defined below) on approximately 38.32 acres of real property (the “Land,” as further defined below) owned by the City and located immediately east of the 71 Freeway.

B. Landlord constructed the Sports Park on the Land, which opened to the general public on January 6, 2003. A legal description of the land is attached hereto as Exhibit “A.”

C. Tenant agreed to maintain and operate the Sports Park pursuant to the Sports Park Lease’s terms. The Land and the Sports Park improvements constructed thereon (the “Sports Park Improvements”) by Landlord are collectively referred to as the “Premises.”

D. The Land is subject to a perpetual flowage easement in favor of the Department of the Army Corps of Engineers (the “Army COE”) inasmuch as the Land is located in the Prado Flood Control Basin. By a Consent to Easement Structures executed by the Army COE on September 20, 2001 (the “COE Consent”), the Army COE authorized the construction of the Sports Park Improvements for a period of twenty-five (25) years expiring September 23, 2026.

E. Effective September 10, 2001 Landlord and Tenant executed a (First) Amendment to Sports Park Lease (the “First Amendment”) which specified that the Term and any Extension Terms of the Sports Park Lease (as those terms are therein defined) shall be limited to the term of and subject to the conditions of the COE Consent. Landlord agreed, prior to the September 23, 2026 expiration of the COE Consent, to make reasonable efforts to obtain an extension thereof so as the permit the continuation of the initial term of the Sports Park Lease and any extension terms. The Army COE has informed the City it will not discuss extending the COE Consent until there are 24 months or less remaining on the COE Consent.

F. Effective September 10, 2002, Landlord and Tenant executed a First Addendum to Sports Park Lease (the “Office Facility Lease”) by which Landlord agreed to (and subsequently did) construct an approximately 2,081 square foot single story Office Facility (as this term and other capitalized terms used for the first time in this Paragraph F are defined in the Office Facility Lease) on the Land for use by Tenant, its parent and its affiliates for their administrative headquarters. The parties wish by this Agreement to extend the term of the Office Lease to make it co-extensive with this Agreement’s Initial Term, to establish the Office Facility Rent for the extended leasehold. Except for the modifications referenced in the preceding sentence and this Agreement, the Office Facility Lease shall continue in full force and effect; it is attached as Exhibit “B.”

G. Effective February 11, 2003, as the Sports Park was opening to the public, Landlord and Tenant executed a Second Amendment to Sports Park Lease (the “ABC Amendment”) and a related Second Addendum to Sports Park Lease (the “ABC Addendum”) to amend the Sports Park Lease to comply with California Department of Alcoholic Beverage Control requirements that Landlord could have no interest in or claims to Alcoholic Beverage Net Revenue (as that term is defined in the ABC Amendment).

H. As provided below, the parties intend, through this Agreement, for Tenant to pay a percentage of Gross Revenues, with a starting minimum annual rent payment of \$400,0000 (plus a Gross Revenue Accrual Adjustment, as defined below), as rent rather than a share of Net Revenues as the Sports Park Lease provided and that all maintenance, repair and capital improvements for the Premises shall be the sole financial responsibility of the Tenant. This Agreement is intended to and does supersede the prior Agreements, Amendments, Addendums, except the Office Facility Lease, as all of applicable terms and conditions related to the lease of the Premises are not set forth in this Agreement.

NOW THEREFORE, THE PARTIES INCORPORATE THE RECITAL PARAGRAPHS ABOVE INTO THIS AGREEMENT AND AGREE AS FOLLOWS:

1. Definitions The following terms as used in this Agreement shall have the meanings given unless expressly provided to the contrary:
 - (a) Additional Term is defined below in Section 3(b).
 - (b) Affiliate means TC Sports Group, LLC, a Delaware Limited Liability Company or any entity other than BLD USA or BLD Sports in which TC Sports Group, LLC, BLD USA, or BLD Sports owns at least 50% capital or voting interest of the common stock, partnership units, or limited liability company interests, as applicable.
 - (c) Agreement means this 2022 Amended and Restated Sports Park Lease.
 - (d) Annual Gross Revenues Statement is defined below in Section 5(e).
 - (e) BLD Allocations is defined below in Section 4(c).
 - (f) BLD Chino Hills means Big League Dreams Chino Hills, LLC, a California limited liability company.
 - (g) BLD USA means BLD USA, a California limited liability company.
 - (h) BLD Sponsorships is defined below in Section 4(c).
 - (i) BLD Sports means Big League Dreams Sports, LLC, a California limited liability company.
 - (j) Capital Expenditures means expenditures for the replacement, major repair, or reconstruction of Sports Park Improvements that (a) are building roofs, slabs, foundations, or walls; heating, ventilation, air conditioning, plumbing, sewer, utility, irrigation and drainage

systems; field, parking lot, and perimeter lighting; paved areas, including parking lots and circulations walkways; field maintenance equipment, batting cage equipment, office equipment, kitchen equipment, and restaurant carpeting and furniture; safety netting and fencing; and outfield wall and stadium design features, including crowd scene vinyl and graphics; and other similar expenditures that are considered capital improvements pursuant to Generally Accepted Accounting Principles and (b) cost more than \$15,000 in any one instance and have a projected useful life of at least three (3) years.

(k) Capital Expenditure Reserve Account is defined below in Section 12(a).

(l) Capital Improvements means all alterations or additions to the improvements on the Premises excluding maintenance, repair and replacement of those improvements which exist on the Premises as of the Term Commencement Date which meet the requirements for Capital Expenditures.

(m) City means the City of Chino Hills, a political subdivision of the State of California.

(n) City Manager means the City Manager of City.

(o) COE Consent is defined above in the recital paragraph D.

(p) Default is defined below in Section 21.

(q) Extended Office Facility Lease Term is defined below in Section 2(b).

(r) Extension Term is defined below in Section 3(f).

(s) Force Majeure Event means the period of time during which the Sports Park cannot be operated due to declared or undeclared war, sabotage, revolutions, riots, or acts of terrorism or civil disobedience; acts or omissions of governmental agencies; accidents, fires or explosions; floods, earthquakes or other acts of God; strikes or labor disputes; shortage of materials; epidemic or pandemic caused by virus, except the current COVID-19 Pandemic; or any other event not within the reasonable control of Tenant and not caused by the negligence or intentional wrongful conduct of Tenant.

(t) Gross Revenues means all cash and credit revenue received as a result of the operation of the Premises and sale of goods and services at, from or on behalf of, as well as the value of consideration that is given to the Sports Park in exchange for a benefit given to a person or entity; the Premises and the sale of goods by Tenant which bear the name of Landlord, determined on an accrual basis in accordance with generally accepted accounting principles consistently applied and shall include, without limitation: rental and concession payments; food and beverage sales; liquor sales; revenue generated from space rentals and from special events; meetings; banquets; parties; receptions, tournaments, and other group gatherings; merchandise sales; instruction fees; revenues from sports clinics and schools; revenues received from vending machine sales; finance charges to customers, in case of sales on credit; revenues from sales of gift certificates; all charges for services, alterations and repairs made at the Sports Park; fees and rebates paid by vendors in consideration for offering to sell such vendors' food, beverage or

merchandise from the Sports Park; consideration paid by advertisers; all amounts received from licensees and concessions from all sources of income derived from business conducted at or in connection with the Sports Park; and proceeds from business interruption insurance. Gross Revenues, and likewise Sports Park Expenses, shall be reduced by any cash refunds or credits allowed on returns by customers. Gross Revenues shall not include: Sales taxes, excise taxes, gross receipt taxes and other similar taxes now or later imposed upon the sale of food, beverages, merchandise or services and paid to the appropriate taxing authority, whether added to or included in the selling price; receipts in the form of revenues from, or the value of merchandise, supplies or equipment returned to, shippers, suppliers or manufacturers; fees charged by a sports instructor functioning as an independent contractor for the teaching of lessons and instructions which are not paid by the instructor to Tenant; gratuities paid or given by customers to food service employees of the Sports Park or service charges added to customers' bills which represent gratuities paid to Sports Park employees; proceeds of insurance other than business interruption insurance or similar types of insurance; receipts from public telephones or vending machines owned by third parties, except to the extent of revenues received by Tenant; proceeds of any borrowings by Tenant or Landlord; any revenues received by special or corporate event promoters, impresarios, outside catering companies, clinics or tournament operators, or similar third party independent contractors involved in the sponsorship, placement, promotion or conduct of special events, camps, clinics or tournaments or corporate events at the Sports Park, which revenues are not paid or required to be paid to Tenant and so long as no officer or owner of Tenant has any direct or indirect ownership in such third party independent contractor, excepting stock ownership in publicly traded entities listed on a national stock exchange, or unless such is consented to in writing by the Landlord, which consent may be withheld in Landlord's sole discretion. Gross Revenues shall be calculated on a cash basis on the Quarterly Revenues Statement and on an accrual basis in accordance with generally accepted accounting principles consistently applied on the Annual Revenues Statement. Gross Revenues shall be subject to adjustment for BLD Allocations with respect to BLD Sports (as herein defined) as provided below in Section 4(c). Gross Revenues shall include Alcoholic Beverage Gross Revenues, as that term was defined in the now void ABC Amendment.

(u) Gross Receipts Rent is defined below in Section 4(a).

(v) Gross Revenue Accrual Adjustment is defined below in Section 4(a).

(w) Hazardous Materials shall include, but not limited to, substances defined "hazardous substances," "hazardous materials," "pollutant or contaminant," "imminently hazardous chemical substance or mixture," "hazardous air pollutant," "toxic pollutant," "hazardous waste," "extremely hazardous waste" or "toxic substances" in any of the Comprehensive Environmental Response, Compensation and liability Act of 1980, as amended, 42 U.S.C. §9601, et seq. The Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq. The Resource Conservation and Recovery Act, 42 U.S.C §6901, et seq.; and those substances defined as "hazardous substances" in §25316 of the California Health & Safety Code; and in the regulations adopted and publications promulgated pursuant to said laws ("Hazardous Materials Laws").

(x) Initial Term is defined below in Section 3(a).

(y) Land is that certain City-owned real property described in Exhibit "A" attached hereto and incorporated herein by this reference, subject, however, to the perpetual

flowage easement over the Prado Flood Control Basin and other matters of record. The Land constitutes an approximate 38.32-acre Parcel #1 shown on the attached Exhibit "A" to this Agreement but excludes the approximate 1.02-acre Parcel #2 also shown on such Exhibit "A," upon which Landlord has constructed a skate park.

(z) Landlord means the City of Chino Hills, a municipal corporation, and its permitted successors and assigns.

(aa) Landlord Capital Expenditure Contribution is defined below in Section 12(b).

(ab) Lease means each full one-year period commencing on January 1 and ending on December 31 during the Term, excluding Partial Lease Years.

(ac) Memorandum of Lease means the Memorandum of Lease executed concurrently herewith which shall be recorded.

(ad) Minimum Annual Rent is defined below in Section 4(a).

(ae) Partial Lease Years means 2022 and the year during which the Term ends provided it ends on any day other than December 31 of such year.

(af) Quarterly Condition Report is defined below in Section 6(f)(ii).

(ag) Quarterly Gross Revenues Statement is defined below in Section 5(e).

(ah) Party means either party to this Agreement. "Parties" shall be all parties to this Agreement.

(ai) Premises means the Land and the Sports Park Improvements.

(aj) Sports Park means the six baseball/softball fields, two restaurants, one covered indoor soccer facility, batting cages, maintenance structures and administrative offices (other than the office facility subject to the Office Facility Lease) as depicted on Exhibit "C."

(ak) Sports Park Improvements means all buildings, fields, structures, advertising displays, landscaping, infrastructure, utilities, fixtures, equipment, and other improvements constructed or installed on the Premises by Landlord and leased by Tenant pursuant to this Agreement. The Sports Park Improvements also includes furniture, furnishings, trade fixtures, apparatus and equipment (including without limitation maintenance vehicles and equipment, sports equipment, cash registers, benches, kitchen equipment, telephone systems, appliances and office equipment) that were located on the Premises as of the Term Commencement Date (hereinafter collectively referred to as the "FF&E"). A list of the FF&E to be provided by Landlord and leased to Tenant as part of this Agreement is attached hereto as Exhibit "D."

(al) Tenant means Big League Dreams Chino Hills, LLC.

(am) Tenant Capital Expenditure Contribution is defined below in Section 12(b).

(an) Term is defined below in Section 3.

(ao) Term Commencement Date means the date upon which both this Agreement has been fully executed by the Parties and City has received both Tenant's payment of the amount owed to City, as described in Agreement Section 2(a) and the information identified in Agreement Section 16.

2. Lease of Premises, Previous Amendments.

(a) Upon the Term Commencement Date, Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the term set forth in Section 3, subject to and on the terms and conditions set forth in this Agreement. As a condition precedent to this Agreement's effectiveness, Tenant must deliver payment to Landlord in the amount of \$442,170 to close out all amounts owing Landlord under the Sports Park Lease within 30 calendar days of full execution of this Agreement.

(b) The Office Facility Lease, as discussed above in recital paragraph F, shall remain in full force and effect subject to all terms and conditions contained therein, except as to the following:

(i) The Initial Term of the Office Facility Lease is extended through September 23, 2026.

(ii) In the event the COE Consent, as defined in recital paragraph D, is extended by the Army COE, and Tenant is not in material default of the Office Facility Lease, Tenant shall have the option, exercisable during the Initial Term but not earlier than January 1, 2026, to extend the Initial Term of the Office Facility Lease to be co-extensive with any extended Term for the operation of the Sports Park ("Extended Office Facility Lease Term") made pursuant to this Agreement. The terms and conditions for the extension of the Initial Term and for the Extended Office Facility Lease Term shall be the same as contained in the Office Facility Lease except as modified by this Section 2(b).

(iii) Pursuant to Section 6 of the Office Facility Lease-Office Facility Rent through the Initial Term, the Office Facility Rent for the potential Extended Office Lease Term will be subject to negotiation during the twelve-month period preceding September 22, 2026 and must be mutually agreed upon in sole discretion of each Party.

3. Sports Park Lease Term.

(a) Initial Term. The initial lease term of this Agreement (the "Initial Term") for the Premises shall commence on the Term Commencement Date and shall extend through September 23, 2026, unless sooner terminated by Landlord as provided herein.

(b) Additional Term. Provided Tenant is not in material default of this Agreement at the time that the City is seeking to extend the COE Consent, and the COE Consent is extended, the Term of this Agreement will be automatically extended through December 31,

2036 (the “Additional Term”).

(c) Notwithstanding any other provision of this Agreement, the Term of this Agreement, including any Extension Options, if any, will be limited to the term of and subject to the conditions of, the COE Consent, as in recital paragraph D, and specifically, COE Consent No. DACW09-2-01-0020, dated September 20, 2001 by the Department of the Army COE and executed by the City on September 21, 2001, a copy of which is attached as Exhibit “E.” At any time that the COE Consent expires, this Agreement will be deemed to expire concurrently.

(d) Prior to the expiration of the term of the COE Consent, Landlord will make reasonable efforts to obtain an extension so as to permit the continuation of the Initial Term of the Agreement and any Extension Term. In no event, however, will Landlord have any liability for the failure to obtain such extension of the term of the COE Consent. Tenant agrees to and will comply with and perform the conditions and requirements of the COE Consent.

(e) Extension Terms. Provided Tenant is not in material default after written notice and the expiration of all applicable cure periods as provided in Section 21, at the time Tenant elects to exercise an extension of the Additional Term, and subject to the consent of the Army COE, Tenant is hereby granted two (2) separate options (each referred to herein as an “Extension Term”) to extend the Additional Term for a period of five (5) years each upon expiration of the Additional Term and the first Extension Term to commence immediately following the prior term’s expiration, all upon the same terms and conditions set forth in this Amendment. The Initial Term, the Additional Term, and any properly exercised Extension Term under this Agreement will hereinafter sometimes collectively be referred to as the “Term” of this Agreement. Tenant may exercise one or both of the Extension Terms by delivery of written notice to Landlord, so long as such notice is delivered not less than ninety (90) days prior to the scheduled expiration of the Additional term of first Extension Term.

(f) Upon fulfillment of the above terms, limitations, and conditions, the first Extension Term will commence on the expiration of the Additional Term and continue through December 31, 2041, and the term of the second Extension Term will commence on January 1, 2042 (or earlier if again limited by the Army COE) and extend through December 31, 2046.

4. Rent.

(a) Minimum Annual Rent and Gross Revenue Accrual Adjustment. Effective as of the Term Commencement Date, and on a pro-rata basis if the first year of Sports Park Lease is not for a Lease Year and continuing thereafter through the Term (including the Additional or any Extended Term(s)) and regardless of the amount of Gross Revenues received by Tenant, Tenant shall pay minimum annual rent to Landlord in the amount of \$400,000 per Lease Year (the “Minimum Annual Rent”) with the payments being made quarterly in arrears (\$100,000 per quarter, or on a pro-rata basis if the there was only a partial Lease Year). Tenant shall deliver to Landlord the first Minimum Annual Rent payment due to Landlord within 30 calendar days of full execution of this Agreement for the preceding quarter (January 1, 2022 through March 31, 2022). Thereafter, Tenant shall deliver to Landlord the Minimum Annual Rent payment to Landlord within 10 calendar days following the end of each quarter, until the final payment is made following the end of the Lease Term.

(i) In addition to its payment of Minimum Annual Rent, Tenant shall, commencing with the delivery of the first Minimum Annual Rent Payment, and on April 1 every year thereafter, deliver to Landlord an Annual Gross Revenues Statement for the prior Lease Year, calculate the total amount of additional rent due to, and pay Landlord such additional rent with respect to the prior Lease Year having just concluded in an amount equal to nine percent (9%) (“Gross Receipts Rent”) of total Gross Revenues less Minimum Annual Rent Amount for the prior Lease Year (“Gross Revenue Accrual Adjustment”). No amount of Minimum Annual Rent will be reimbursable to Landlord if the Gross Receipts Rent for a Lease Year is less than the Minimum Annual Rent. Tenant will not be required to pay Minimum Annual Rent for any Lease Year, calculated on a pro-rata basis and reducing the Minimum Annual Rent, based upon the number of days the Sports Park was not operating, during which a Force Majeure Event has occurred. Exhibit “F” hereto provides examples of how the Annual Rent Amount is calculated.

(b) The Minimum Annual Rent shall increase as follows:

- (i) \$400,000 for the first two Lease Years;
- (ii) \$450,000 for the third and fourth Lease Years;
- (iii) \$500,000 for the fifth and sixth Lease Years;
- (iv) \$550,000 for the seventh, eighth, and ninth Lease Years; and
- (v) \$600,000 for the tenth through fifteenth Lease Years.

Certain increases above shall be subject to the term of this Agreement set forth in Section 3 and contingent upon COE Consent, as described therein. Following the fifteenth Lease Year, the Minimum Annual Rent shall automatically increase for each following Lease Year in an amount equal to the percentage change over the preceding October to October 12-month period in the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index which for the Riverside-San Bernardino-Ontario region.

(c) BLD USA/Sports Allocations. BLD Sports owns and organizes tournaments and camps/clinics, and contracts with hotels to receive commissions on room nights reserved by participants in tournaments, held at the various Big League Dreams Sports Parks, including the Sports Park. BLD Sports also sells sponsorships to entities interested in having a commercial identification with the various Big League Dreams Sports Parks. BLD Sports and BLD USA shall have the right to do all of the foregoing with respect to the Sports Park. The following amounts paid to BLD Chino Hills by BLD Sports or BLD USA in connection with the foregoing activities (“BLD Allocations”) shall be included in Gross Revenues:

(i) In connection with each BLD Sports tournament held at the Sports Park, BLD Sports shall pay to BLD Chino Hills a field rental charge equal to the greater of: \$500 per day for each day a BLD Sports tournament is held at the Sports Park; \$35 per tournament game played; or 50% of the rate then in effect for similar events.

(ii) In connection with BLD Sports camps or clinics held at the Sports Park, BLD Sports shall pay to BLD Chino Hills a field rental charge equal to the greater of: \$100 for each full day/\$50 for each half day; or 50% of the rate then in effect for similar events.

(iii) BLD Sports shall pay to BLD Chino Hills eighty (80%) of all hotel commissions received by BLD Sports for room nights reserved by participants in tournaments held at the Sports Park.

(iv) "BLD Sponsorships" means any agreement entered by BLD USA or BLD Sports with any entity by which such entity is given the right to identify commercially with Big League Dreams Sports Parks (or any sports park maintained and operated by an Affiliate) as a sponsor, preferred company or other designation of similar import and where such commercial identification rights extend to more than one Big League Dreams Sports Park or sports park maintained and operated by an Affiliate. BLD Sports or BLD USA shall pay to BLD Chino Hills eighty percent (80%) of the cash revenues received by BLD Sports or BLD USA from BLD Sponsorships divided by the number of Big League Dreams Sports Parks or sport parks maintained and operated by an Affiliate to which the BLD Sponsorship applies and may retain the balance. As to any advertising or sponsorship sales applicable to the Sports Park made by BLD Sports or BLD Chino Hills which do not constitute BLD Sponsorships, BLD USA or BLD Sports shall pay to BLD Chino Hills eighty percent (80%) of the cash revenues received from such non-BLD Sponsorship and may retain the balance.

(v) Any use of the Sports Park or sponsorship that is provided by Tenant in exchange for goods and services, except as otherwise specifically provided for in this Agreement, shall require Tenant and Landlord to agree upon the fair market value of the goods and services which shall be treated as revenues and the above allocation formula shall be provided.

5. Records, Reports and Audits.

(a) Records. Tenant shall keep full and accurate books of accounts and such other records as are necessary to reflect the results of the operation of the Premises. Tenant affirms that Landlord has made available to Tenant, or Tenant's representatives, all publicly disclosable books and records in the Landlord's possession relating to the Premises, including contract documents, invoices and construction records. All books and records for the Premises shall be located either at the Premises or at Tenant's corporate office. All accounting records shall be maintained in accordance with generally accepted accounting principles and shall be maintained on a cash basis for each Lease Year. The foregoing notwithstanding, the Annual Gross Revenues Statement and Lease Year profit and loss statements shall be prepared on an accrual basis in accordance with generally accepted accounting principles. All such books, records, and reports shall be maintained separately from other facilities operated by Tenant. Tenant agrees to maintain reasonable and necessary accounting, operating, and administrative controls relating to the financial aspects of the Premises, and such controls shall provide checks and balances designed to protect the Premises, Tenant and the City. The controls that shall be maintained by Tenant shall be sufficient to ensure that there will be no material weaknesses in the financial records and reports of the Premises. A material weakness is a condition in which the design and operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial information,

statements, and reports being audited, or theft of Landlord and Tenant's assets or malfeasance by Tenant's employees in relation to the operation of the Premises, may occur and not be detected within a timely period by Landlord or Tenant employees or auditors in the normal course of performing their assigned functions. Tenant shall maintain all financial and accounting books and records for a period of at least seven (7) years after the preparation of such books and records during such period as provided in this Section 5.

(b) Cash Handling. Tenant shall continue to utilize its cash handling and sales recording systems and equipment protocols shall be subject to review and audit by Landlord. Tenant shall make its cash handling and recording systems and equipment available to Landlord within 15 days of its written request to review and audit. Tenant shall be required to maintain a method of accounting of all receipts and disbursements in connection with the Premises, which shall correctly and accurately reflect the receipts and disbursements received by Tenant from the operation of the Premises. The method of accounting, including bank accounts, established for the Premises shall be separate from the accounting systems used for any other business operations of Tenant or for recording Tenant's personal financial affairs. Such method shall include, without limitation, keeping the following documents: regular books of accounting such as general ledgers; journals including supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.; state and federal income tax returns and sales tax returns and checks and other documents proving payment of sums shown; cash register tapes shall be retained so that day-to-day sales can be identified; any other accounting records that Landlord, in its sole discretion, deems necessary for proper reporting of receipts.

(c) Cash Registers. Tenant shall continue to maintain a cash register(s) on which it shall record all gross sales which shall be subject to review and audit by Landlord. Tenant must make its cash registers and associated records available to Landlord within 15 days of its written request to review and audit. The cash register shall be non-resettable and sufficient to supply an accurate recording of all sales through digital record storage. All cash registers must be used in public view, which print in detailed double tape, indicating each sale and daily totals

(d) Gross Revenue Records. Tenant shall maintain detailed original records of any exclusions or deductions from Gross Revenues (including any exclusions or deductions from Gross Revenues of any sublessee, franchisee, contractor, licensee, or concessionaire). These books, receipts, and records shall be kept at the Premises for a period of seven (7) years after the close of each Lease Year and shall be available for inspection and audit by Landlord and Landlord's representatives at the Premises at all times during regular business hours; provided that Tenant may at reasonable times for reasonable periods remove any or all records or permit or cause them to be removed for legal or accounting purposes or for other purposes consistent with these provisions and the Agreement. In addition, on request of Landlord or Landlord's representatives, Tenant agrees to furnish copies of Tenant's state and local sales and use tax returns.

(e) Reports/ Audits.

(i) Quarterly and Annual Gross Revenues Statements. Every report is to be certified as correct by Tenant or the employee of Tenant authorized so to certify, that sets forth Tenant's Gross Revenues (and any authorized exclusions and deductions) for the quarter just concluded ("Quarterly Gross Revenues Statement"). Tenant will prepare and deliver the Quarterly

Gross Revenues Statement to Landlord, along with Rent and Capital Expenditure Reserve Statement with respect to such calendar quarter, within forty-five (45) days after the end of the applicable calendar quarter. Tenant will prepare and deliver an Annual Gross Revenues Statement to Landlord, along with the Rent and Capital Expenditure Reserve Payments due with respect to the fourth quarter of each Lease Year (adjusted for Minimum Annual Rent and accrual accounting as provided in Section 4(a) to this Agreement) within sixty (60) days after the end of the applicable Lease Year. Tenant may incorporate its Quarterly Gross Revenues Statement with respect to the fourth quarter of any Lease Year into the Annual Gross Revenues Statement which it must deliver to Landlord within sixty (60) days after the end of the applicable fourth quarter.

(ii) Annual Gross Revenues Statements. Tenant shall prepare and deliver, as counsel for Landlord and Tenant may agree, an annual Gross Revenue statement (“Annual Gross Revenues Statements”) showing the results of operation of the Sports Park on an accrual basis within sixty (60) days after the end of the applicable December.

(iii) Rent Calculations. Each report required in this Section 5 shall set forth the total Gross Revenues for the preceding period, as applicable and shall show the method of computing the Rent due for such period.

(iv) Audits. The acceptance by Landlord of any monies paid to Landlord by Tenant as Rent for the Premises as shown by any report furnished by Tenant shall not be an acceptance by Landlord of the accuracy of the report furnished by Tenant during the subject year, or of the sufficiency of the amount of Rent payments, but Landlord shall be entitled at any time and from time to time during the Term, until the date that is two (2) years after the end of the Lease Year for which any of the Rent payments have been paid, to question the sufficiency of the amount paid and the accuracy of any and all reports furnished by Tenant, to justify the amount Tenant shall pay as Rent, and to confirm and evaluate Tenant's statement of its profit from the Premises. At any time during the Term and within two (2) years after the end of the Term, Landlord may cause an audit of Tenant's business by an independent accountant of Landlord's own selection for any Lease Year, and if any report delivered by Tenant to Landlord is found to be less than the amount of Tenant's actual Gross Revenues for the period covered by the statement, Tenant shall immediately pay to Landlord any additional Rent shown to be payable by Tenant. If the audit reveals that the correct amount of Gross Revenues is more than five percent (5%) greater than the amount shown on the report previously delivered by Tenant for the period covered by such statement, Tenant shall immediately pay to Landlord the cost of the audit and any additional Rent shown to be payable by Tenant, together with interest from the original due date at the default rate specified in Section 21, plus additional rent equal to 5% of the Rent payable for such Lease Year; otherwise, the cost of this audit shall be paid by Landlord. If Tenant fails to provide to Landlord any report at the time and in the manner specified in this Agreement, this failure shall, if not cured pursuant to Section 21 of this Agreement, constitute a default under this Agreement and Landlord shall have the right, in addition to any other rights or remedies it may have under this Agreement, to conduct an audit to determine these revenues, and Tenant shall immediately reimburse Landlord for the cost of the audit on written demand by Landlord. If at any time Tenant causes an audit of Tenant's business at the Premises to be made by an independent accountant, Tenant shall furnish Landlord with a copy of the report of this audit at no cost to Landlord, within ten (10) days after Tenant's receipt of the audit report.

(v) Record Retention. Tenant shall, for a period of seven (7) years following the delivery of each report, including the seven (7) year period following the end of the Term, keep and maintain, safe and intact, all of the records, books, and accounts required under this Section, and shall from time to time, upon request, make these records available to Landlord, Landlord's auditor, representative, or agent for examination at any reasonable time during this period. Landlord shall also have the right to make abstracts from the records, to make copies of any or all of the records, to examine any or all contracts, subleases, licenses, and concession agreements, and to make copies of any or all contracts, subleases, licenses or concession agreements.

6. Operation. Tenant shall operate Tenant's business from the Premises as provided in Section 6 with due diligence and efficiency. Tenant will operate the business at Tenant's own expense and at hours consistent with other similar businesses. Tenant shall at all times carry an adequate stock of merchandise, food and beverages, offered for sale at competitive prices, and shall maintain an adequate number of properly trained and skilled personnel for the efficient service of Tenant's customers, Sports Park participants, and the operation of the Sports Park. Although Landlord has no ownership interest in Tenant's business, Landlord is concerned about maximizing Gross Revenues (and, consequently, Rent), and Tenant hereby acknowledges that fact. Tenant shall have the right to use and operate the Sports Park to generate Gross Revenues consistent with the use of the Premises for youth and adult sports activities so long as the Tenant does not materially alter the facilities existing on Premises as of the Term Commencement Date without further consent of the Landlord. Landlord shall have the right to withhold any consent to any material alteration of the Premises or use of the Premises for other than youth and adult sports activities in its sole discretion. Without limiting the foregoing, Tenant shall have the right to continue to do the following:

(a) Admission Fees. Establish a token redemption policy and charge token and admission fees to users of the Sports Park and shall have the right in the future to charge parking fees if it so elects provided that 200 parking spaces are made available without charge and are available to the public for purposes of utilizing the City's public park located adjacent to the Premises;

(b) Outside Food and Beverage Restrictions. Not allow customers of the Sports Park to bring outside food or beverages into the Sports Park;

(c) Set Fees. Establish all fees, charges, and commissions for the use of the use of the Sports Park, the sale of food, beverage, and merchandise from the Sports Park and admissions and other services or activities at or from the Sports Park;

(d) Hours. Establish operating hours and hours during which the fields and courts may be lighted for evening play, consistent with operating hours for other Big League Dreams Sports Parks, subject to the review and approval of the City Manager as to all night events or those games which will not end prior to 11:00 p.m.

(e) Preference for Local Youth Leagues and Teams. Notwithstanding any provision in this Agreement to the contrary, Tenant shall, to the greatest extent reasonably feasible, make the Sports Park available on a preferential basis to youth leagues and teams from the City.

Without limiting the foregoing and so long as such teams have registered by any registration deadline, Tenant shall accept registrations first from teams comprised of at least fifty percent (50%) City youth residents before accepting registrations from teams which do not meet this City residency standard. Within five calendar days of Landlord request, Tenant shall provide Landlord a scheduling report identifying the groups and teams utilizing the Sports Park.

(f) **Unscheduled Sports Park Use.** Prior to 6:00 p.m. on those weekdays that there is no scheduled use of the Sports Park, Tenant shall make available to the public and local groups the Sports Park facilities not scheduled for use or maintenance free of charge for practice or “pick-up” games. These uses shall be scheduled at mutually agreeable times that do not restrict Tenant from scheduling revenue producing league or tournament games or group business events.

(g) **Inspection of Sports Park.**

(i) Tenant authorizes the City the right—at any time the Sports Park is open for business or within 24 hours’ advance notice to Tenant at all other times—to enter the Sports Park and inspect, using Landlords staff, contractors, and/or consultants, the operations and conditions of the Sports Park to confirm compliance with this Agreement.

(ii) In addition to the inspection rights set forth above, Tenant authorizes Landlord to enter the Sports Park and perform quarterly comprehensive inspections of the conditions of the Sports Park to prepare a Quarterly Condition Report, which will be in substantially the same form as shown in Exhibit G. Such quarterly inspections shall include verification of the good repair and proper functioning of all items listed in Exhibit G, which the parties do not intend to be an exhaustive list of items that may be inspected. Landlord shall have the right to cause repairs to any item in disrepair or otherwise improperly functioning, as solely and reasonably determined by Landlord, that is noted in a Quarterly Condition Report that remains in disrepair or is still improperly functioning at the following quarterly condition report. At completion of such repairs, Landlord may send Tenant an invoice for the amount of the repairs, and such amount shall be added to the Rent owed by Tenant to City for the quarter in which the repairs were completed.

(iii) Tenant shall make quarterly inspections of the Sports Park to prepare its own Quarterly Condition Report, using the same form as the Landlord’s and shall provide a copy of each such quarterly report to the Landlord within seven (7) days of such quarterly inspection. Tenant’s quarterly inspections shall occur within 10 calendar days of the commencement of each calendar quarter, i.e. within 10 days of January 1, April 1, July 1, October 1.

7. **Concessionaire and Licensee Records.** Wherever Tenant's business or operations, or Tenant's Gross Revenues and Sports Park expenses, or Tenant's records, books, accounts, and other data are referred to in this Agreement, they shall be deemed to include those of any concessionaire, licensee, vending machine operator, or other person, firm, or corporation selling merchandise or services on or from the Premises relative to the operation of the license or concessionaire; provided that this subsection shall not be deemed to imply consent to the operations of any other person, firm, or corporation except in accordance with the provisions of Section 20.

8. Additional Rent. All Taxes and other costs and expenses payable under this Agreement by Tenant and all damages, costs, and expenses that Landlord incurs or might incur by reason of Tenant's default, shall be deemed additional rent. In the event of Tenant's nonpayment of additional rent, Landlord shall have all the same rights and remedies as Landlord has for the nonpayment of Rent. The Term "rental" and "rent" as used in this Agreement shall mean Rent and such additional rent.

9. Taxes.

(a) Covenant to Pay Taxes. As additional rent, Tenant shall, throughout the Term, commencing with the Term Commencement Date, pay directly to the appropriate taxing authorities all Taxes (as defined in Section 9(b)). All taxes shall be paid before delinquency and before any fine, interest or penalty shall become due or be imposed by operation of law for their non-payment. Tenant shall furnish to Landlord prior to the date when any taxes would become delinquent receipts or other appropriate evidence establishing such payment.

(b) Definition of Taxes. The Term "Taxes" shall include all real property taxes, possessory interest taxes, personal property taxes, sales taxes, excise taxes, and charges and assessments, (including but not limited to street improvement liens) which are levied, assessed upon or imposed by any governmental authority or political subdivision thereof during or with respect to any portion of the Term hereof with respect to the Premises or any improvements, fixtures, equipment or other property of Tenant, real or personal, located on the Land or used in connection with the operation of the Sports Park, and any tax which shall be levied or assessed in addition to or in lieu of such real or personal property taxes, and any license fees, taxes measured by or imposed upon rents, or other taxes or charges upon Landlord's leasing of the Land or the receipt of rent hereunder. All assessments, taxes, fees, levies and charges imposed by governmental agencies for services such as fire protection, street, sidewalk and road maintenance, refuse removal and other public services generally provided without charge to owners or occupants prior to the adoption of Proposition 13 by the voters of the State of California in the June 1978 election, also shall be deemed included within the definition of "Taxes" for the purposes of this Agreement.

10. Use.

(a) Tenant agrees to use and occupy the Premises continuously during the Term for the purpose of operating the Sports Park/Premises for youth and adult sports activities. Use of less than 5% of the Sports Park for a game room, including video games, pool tables and similar entertainment equipment, shall be permitted; provided, however, that any form of gaming, lawful or otherwise, will not be permitted on the Premises. Without limiting the preceding restrictions, the Premises shall not be used for an Adult Business as such is defined by the Chino Hills Municipal Code. Subject to obtaining required or appropriate licenses, permits or other approvals from the Alcoholic Beverage Control Agency or any other governmental jurisdiction having authority, Tenant shall engage in the sale of beer, wine and liquor on the Premises.

(b) During the entire Term, Tenant shall conduct business in the Premises under the name "Big League Dreams Chino Hills" except such may be preceded by or used in association with the name of a corporate sponsor. Tenant shall keep the Premises open for business during the

entire Term during ordinary business hours for comparable facilities; provided, however, that this provision shall not apply if the Premises are closed due to inclement weather or Tenant's business is temporarily shut down due to casualty, condemnation, fire or other causes beyond the reasonable control of Tenant.

(c) Tenant shall at all times during the Term hereof obtain, keep and maintain all licenses and permits required by state and local governmental authorities necessary to operate the Sports Park from the Premises.

(d) Tenant shall at all times provide such security for operation of the Premises as shall reasonably be required to provide all necessary protection for the customers, employees, guests, contractors and other invitees of the Premises, and for protection of the owners and occupants of neighboring properties from the customers, employees, guests, contractors and other invitees of the Premises.

(e) During the Term hereof, Tenant shall use its best efforts to accommodate adult and youth sports.

11. Compliance with Law. Tenant shall, at Tenant's sole cost and expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders, covenants, conditions, and restrictions of record, and requirements of any governmental authority or the local insurance services office in effect during the Term hereof, regulating the use or operation by Tenant of the Premises. Tenant shall keep and maintain in full force and effect, and in good standing, all permits and licenses required from state and local governmental authorities for operation of the Premises, and the suspension or Termination of any permit or license for a period in excess of thirty (30) days shall be a material breach hereof. If the insurance services office or any other similar body or any bureau, department or official of the state, county or city government or any other governmental authority having jurisdiction requires or recommends that any changes, modifications, replacements, alterations, or additional equipment be made or supplied in or to any portion of the Premises by reason of Tenant's use or operation thereof, Tenant shall, at Tenant's cost and expense, make and supply such changes, modifications, replacements, alterations or additional equipment. Tenant shall not use nor permit the use of the Premises in any manner that will tend to create waste or a nuisance.

12. Capital Expenditure Reserve Account and Payments.

(a) Capital Expenditure Reserve Account. Tenant shall establish and maintain an interest-bearing checking account, separate from Tenant's operating checking account(s), with a financial institution acceptable to the Landlord (the "Capital Expenditure Reserve Account"). Deposits into the Capital Expenditure Reserve Account shall be made by Tenant as provided in Section 12(b). Tenant shall be the owner of the Account and shall have check writing authority with respect to it subject to the restrictions below. Interest earned on the Capital Expenditure Reserve Account shall remain in the Account. With the advance written approval of Landlord, Tenant may draw funds from the Capital Expenditure Reserve Account only to make payments directly to vendors or contractors responsible for making repairs or replacements to Sports Park Improvements which constitute Capital Expenditures. With the advance written approval of Landlord, Tenant may also draw funds from the Capital Expenditure Reserve Account to

reimburse Tenant for the cost of hourly wage earners (including the value of their benefits) on Tenant's staff (but not salaried staff) who may be engaged to perform such repairs or replacements at lower cost than a third-party vendor or contractor would charge. Tenant shall provide an accounting of the Capital Expenditure Reserve Account quarterly in connection with its delivery of Quarterly and Annual Gross Revenues Statements to the Landlord. In the event of a default by Tenant under this Sports Park Lease, funds in the Capital Expenditure Reserve Account shall belong to the Landlord. In the event that the Capital Expenditure Reserve Account has insufficient funds to cover the costs of necessary repairs or replacements to Sports Park Improvements which constitute Capital Expenditures, such will be paid by Tenant from its own accounts.

(b) Capital Expenditure Reserve Account Contributions.

(i) Tenant Contributions. Concurrently with or prior to the delivery of each Quarterly or Annual Gross Revenues Statement which Tenant shall prepare and deliver to the Landlord, Tenant shall deposit, quarterly in arrears, an amount equal to one percent of Gross Revenues with respect to the calendar quarter then just ended to the Capital Expenditure Reserve Account (the "Tenant Capital Expenditure Contribution") to be used for the payment of Capital Expenditures as described in Section 12(a) above. Such contribution will be separate and apart from the Minimum Annual Rent payable by Tenant to Landlord pursuant to Section 4.

(ii) Landlord Contributions. Concurrently with each Annual Gross Revenues Statement which Tenant shall prepare and deliver to the Landlord, Tenant shall deposit one percent (1%) of the Gross Revenues into the Capital Expenditure Reserve Account (the "Landlord Capital Expenditure Contribution") to be used for the payment of Capital Expenditures as described in Section 12(a) above. Such contribution will be separate and apart from the Minimum Annual Rent payable by Tenant to Landlord pursuant to Section 4.

(iii) Fourth Quarter Adjustments. For the payment of Rent, the Tenant Capital Expenditure Contribution and the Landlord Capital Expenditure Contribution with respect to the fourth quarter of each Lease Year, Gross Revenues shall be adjusted by accrual adjustments and Minimum Annual Rent calculations, as applicable, as provided in Section 4.

(iv) Tenant shall not make any Capital Improvements to the Premises utilizing more than Fifteen Thousand Dollars (\$15,000) of the Capital Expenditure Reserve Account in any Lease Year without the prior written consent of the Landlord, which may be withheld in the reasonable discretion of the Landlord. If Tenant makes any Capital Improvements to the Premises as provided in this Section, the such shall not be commenced in any case until twenty (20) days after the City Manager has received written notice from Tenant stating the date the construction of the Capital improvements is to commence so that the City Manager, on behalf of Landlord, can post and record an appropriate notice of non-responsibility. Any Capital Improvements to the Premises made by Tenant shall be done in accordance with all applicable laws, rules, regulations, including building codes. Tenant shall not permit any mechanic's, materialmen's liens to remain against the Premises for work or materials furnished in connection with any such Capital Improvements to the Premises. If Tenant shall, in good faith, contest the validity of any such lien, Tenant shall, at its sole expense, defend itself and Landlord against the same and upon Landlord's request, Tenant shall furnish to Landlord a surety bond in an amount equal to one hundred twenty percent (125%) of such contested lien indemnifying Landlord against

the liability for same and holding the Premises free from any effect of such lien. All Capital Improvements to the Premises shall become the property of Landlord and shall remain on and be surrendered with the Premises at the expiration or sooner termination of this Agreement.

13. Tenant Improvement Obligations.

(a) Section 12 notwithstanding, within one year of the Term Commencement Date, Tenant shall commence and complete at least \$1.8 million in Capital Improvements to the Premises, consistent with the improvements identified in Exhibit “H” hereto.

(b) In the event Tenant fails to complete the Capital Improvements in Exhibit “H” within the timeframe identified in Section 13(a), Tenant shall, within 30 calendar days of the one-year anniversary of the Term Commencement Date, provide Landlord one of the following:

(i) An irrevocable letter of credit drawn on a bank approved by the Landlord, payable upon demand accompanied by a notarized statement from the City Manager that BLD Chino Hills failed to complete all improvements identified in Exhibit “H” within the deadline identified in Section 13(a) of this Agreement;

(ii) Funds placed in escrow with instruction to the escrow agent that such funds shall be released to the Landlord upon demand accompanied by a notarized statement from the City Manager that BLD Chino Hills failed to complete all improvements identified in Exhibit “H” within the deadline identified in Section 13(a) of this Agreement; or

(iii) Funds deposited in a bank account controlled by the Landlord for the exclusive purpose of funding the completion of all improvement identified in Exhibit “H.”

(c) The amount of funds applicable to the Section 13(b) shall be determined exclusively by the Landlord based upon its reasonable estimate of the Landlord’s costs to complete Tenant’s unfinished improvements identified in Exhibit “H,” and the City shall deliver such estimate to Tenant within five business days of the one-year anniversary of the Term Commencement Date.

14. Utilities and Services. Tenant shall make all arrangements for and pay prior to delinquency for all utilities and services furnished to or used by it or its licensees or subtenants, including, without limitation, gas, electricity, water, telephone service, communications, cable television, and trash collection, and for all connection charges. Failure to timely pay utilities shall constitute a Default pursuant to Section 21 of this Agreement. Landlord may pay for Tenant’s delinquent utility charges, or not turn off utilities for which the Landlord is the provider, for purposes of mitigating potential waste and damage to the Premises. Such payments by Landlord shall not excuse the Default by Tenant and the cure by Tenant shall be to reimburse the Landlord pursuant to the Default for late rent payments set forth in Section 21.

15. Maintenance and Repairs. Tenant shall, at Tenant's sole cost and expense maintain the entire Premises in a safe and first class condition and in good repair (damage by casualty described in Section 17 excepted) and in accordance with (i) all applicable laws, rules, ordinances, orders and regulations of federal, state, county, municipal, and other governmental agencies and bodies having or claiming jurisdiction and all their respective departments, bureaus, and officials;

(ii) the insurance underwriting board or insurance services office having or claiming jurisdiction over the Premises; (iii) all insurance companies insuring all or any part of the Premises; and (iv) standards consistent with similar sports parks. "First class condition," as used in this Section 15 shall refer to comparable commercial recreational sports facilities with year-round and extensive daily use of each playing field, not professional stadiums with vastly more limited use both during seasons of the year and daily. Tenant is authorized to use the Capital Expenditure Reserve Account for repairs and replacements that constitute Capital Expenditures.

16. Tenant Background and Qualifications. Within 30 days of the date this Agreement is fully executed, Tenant will deliver to Landlord documentation sufficiently demonstrating Tenant's formation history, legal structure, principal officers and managers for Tenant, TC Sports Group LLC, BLD Sports, and BLD USA; any existing or pending lawsuits involving Tenant, TC Sports Group LLC, BLD Sports, or BLD USA; and proof of capitalization, including, without limitation, financial statements showing Tenant's access to sufficient capital to operate the facility. The sufficiency of all such documentation will be determined in the City's sole discretion.

17. Destruction.

(a) In the event of damage or destruction of any improvements on the Premises, Tenant shall promptly give written notice thereof to Landlord, and Tenant shall, at Tenant's sole cost and expense, restore, repair and replace or rebuild the same as nearly as possible to their condition and character immediately prior to such damage or destruction. Such restoration, replacements, or rebuilding shall be commenced within sixty (60) days from the date of occurrence of such damage or destruction, which time shall be extended by a time commensurate with any delays due to adjustment of insurance, preparation of plans and specifications, and shall thereafter be prosecuted with reasonable diligence, unavoidable delays excepted. All insurance money paid on account of such damage or destruction shall be applied to the payment of the cost of the aforesaid demolition and temporary repairs and for the protection of property and permanent restoration, repairs, replacements or rebuilding are hereinafter collectively referred to as the "restoration." Notwithstanding the foregoing, if (1) the cost of the restoration of the Improvements shall exceed the insurance proceeds available to Tenant to perform such restoration by an amount in excess of One Hundred Fifty Thousand Dollars (\$150,000), or (2) there is damage to or destruction of the Premises and the governmental restrictions then in effect with respect to the Premises prohibit construction of economically viable replacement improvements with respect to a use which Tenant has a right to engage under this Agreement, or (3) such destruction occurs during the last five (5) years of the Initial Term of this Agreement or during any extension term of this Agreement, then Tenant shall have the right to terminate this Agreement as hereinafter set forth.

To exercise the right of termination described in this Section, Tenant must comply with all of the following conditions:

(i) Give Landlord notice of termination within sixty (60) days after the damage or destruction, specifying the date of termination which shall be not less than sixty (60) days nor more than one hundred twenty (120) days after the date such notice of termination is given;

(ii) Prior to the termination date, cure any defaults on Tenant's part under this Agreement;

(iii) Continue to make all payments when due (including without limitation the prorated portion of any additional rent, including any rent due under Section 8, becoming due after Tenant has given the notice of termination but prior to the date of termination), if any, as required by the provisions of this Agreement until the date of termination;

(iv) Prior to the termination date, cause to be discharged all liens and encumbrances encumbering the Premises or Tenant's leasehold interest resulting from any act or omission of Tenant;

(v) On or before the termination date, deliver possession of the Premises to Landlord, quitclaim all right, title and interest in the Premises to Landlord and cease to do business on the Premises, and vacate the Premises;

(vi) Prior to the termination date, effectively relinquish, assign, and deliver to Landlord all insurance proceeds resulting from the casualty, excluding any insurance proceeds applicable to Tenant's personal property.

(b) In the event of notice of termination by Lessee pursuant to item (1) above, Landlord shall have the right to render Tenant's termination null and void by delivery of written notice to Tenant within thirty (30) days following Tenant's termination notice so long as Landlord agrees to pay all uninsured, or underinsured, restoration costs exceeding one hundred fifty thousand dollars (\$150,000), unless such damage or destruction is caused by the negligent or willful misconduct of Tenant, in which case Tenant shall be responsible for all restoration costs.

(c) In the event of any such termination, any additional rent paid in advance shall be pro-rated through the date the Agreement is terminated.

(d) Insurance Proceeds. If Tenant is obligated or elects to restore the Premises pursuant to this Section, the proceeds of any insurance maintained under this Agreement shall be disbursed pursuant to a customary construction disbursement system or service for payment of costs and expenses of repair. If the insurance proceeds are insufficient to cover the cost of repair, then Tenant shall deposit the amount of the deficiency with Landlord, and such funds shall be disbursed first, and the balance of the construction costs shall be disbursed from the insurance proceeds by Landlord.

18. Insurance and Indemnity

(a) Liability Insurance.

Tenant shall procure and keep in effect from the date of this Agreement and at all times until the end of the Term, Commercial General Liability Insurance which shall include Broad Form Contractual liability insurance coverage insuring all of Tenant's indemnity obligations under this Agreement including liability arising from construction defects. Such coverage shall have a minimum combined single limit of liability of at least \$5,000,000 per occurrence and \$10,000,000 in the aggregate and shall be written on a per occurrence basis. The required limit may be achieved

through a combination of liability and umbrella coverages. Tenant's public liability insurance shall include dram shop liability insurance or liquor liability insurance. All of Tenant's public liability insurance policies shall be written to apply to all bodily injury, property damage, personal injury and other covered loss, however occasioned, occurring during the policy Term shall be endorsed to provide that such coverage shall be primary.

(b) Worker's Compensation Insurance. Tenant and Tenant's sublessees and concessionaires shall maintain Workers' Compensation insurance in accordance with California law, and an employer's liability insurance endorsement with customary limits. The policy shall be endorsed with a waiver of subrogation clause for Landlord and its respective members, board members, officers, employees, and agents.

(c) Property Insurance.

(i) Tenant shall obtain and keep in force during the Term of this Agreement a policy of insurance covering loss or damage to the Premises, and all furniture, fixtures, equipment, and other personal property of Tenant and Landlord, in the amount of the full replacement value thereof, as the same may exist from time to time, showing from time to time on Landlord's records, against all perils included within the classification of fire, extended coverage, builder's risk, vandalism, malicious mischief, and special extended perils ("all risk," as that Term is known in the insurance industry). If such insurance coverage has a deductible clause, the deductible amount shall not exceed \$20,000 per occurrence, and Tenant shall be liable for such deductible amount. Tenant shall obtain such endorsements as are recommended by Landlord's risk manager, including, without limitation, an endorsement for changes in building codes. Landlord shall be the loss payee on such policy, and Landlord shall receive and retain all insurance proceeds to the extent they are not used to rebuild the Premises following an insured casualty.

(ii) The "full replacement value" of the property to be insured under this Section shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every two (2) years, either party shall have the right to notify the other party that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Insurance Services Office, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination.

(d) Athletic Participant's Medical Expense. Sports associations or events with athletic participants shall provide evidence of athletic participant's medical expense coverage to respond to athletic participant's injuries. This coverage may be part of commercial general liability coverage.

(e) Sexual Abuse/Molestation Insurance. Tenant shall procure and maintain sexual abuse and molestation liability coverage in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate. This coverage may be part of a commercial general liability coverage or other separate insurance policy.

(f) Other. If Tenant contracts with a third-party service provider, e.g., caterer,

Tenant will require the service provider to procure and maintain, at its sole cost and expense, comprehensive general liability insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, or other lines of coverage Landlord requires. Both Landlord and Tenant shall be endorsed as additional insured for such coverage.

(g) Insurance Policies.

(i) Not more frequently than once every ten (10) years but in any event not prior to the expiration of the Initial Term, if in the reasonable opinion of Landlord the amount or type of any insurance at that time is not adequate or not provided for herein, Tenant shall either acquire or increase the insurance coverage as required by Landlord.

(ii) All insurance required under this Agreement shall be issued by companies reasonably satisfactory to Landlord with an A/VII rating or better under Best's rating system and Tenant shall deliver to Landlord endorsements for such insurance evidencing the existence and amounts of such insurance with loss payable clauses as required by this Section 18. No such policy shall be cancelable or subject to reduction of coverage or other modification except after thirty (30) days' prior written notice to Landlord. Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with renewals or "binders" thereof, however, Tenant shall not be in breach of the foregoing requirement if it is unable to do so as a result of insurance industry practice of issuing such renewals or binders just prior to the expiration deadline. Tenant shall not do or permit to be done anything which shall invalidate the insurance policies referred to in this Section 18. All policies of insurance shall name Landlord and its council members, officers, employees and agents, and any additional parties designated by Landlord, as additional insured, premium within thirty (30) days of request therefor.

(iii) Tenant shall not use the Premises in any manner, even if the use is for the purposes permitted herein, that will result in the cancellation of any insurance required under this Agreement. Tenant further agrees not to keep on the Premises or permit to be kept, used, or sold thereon, anything prohibited by any fire or other insurance policy covering the Premises.

(iv) If Tenant shall fail to obtain any insurance required under this Agreement, Landlord may, at its election, obtain such insurance and Tenant shall, as additional rent, reimburse Landlord for the cost thereof plus a five percent (5%) handling charge, within five (5) days following demand therefor. If Tenant fails or refuses to maintain insurance as required hereunder, or fails to provide the proof of insurance within thirty (30) days after written notice from Landlord, then Landlord shall have the right to declare this Agreement in default, and Landlord shall be entitled to exercise all legal remedies for breach of this Agreement.

(v) All insurance required to be provided hereunder is in addition to, and not in lieu of, the indemnity provisions of Section 18 hereof. The procuring of such required policies of insurance shall not be construed to limit Tenant's liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement.

(vi) Any insurance or self-insurance procured or maintained by the Landlord shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess

insurance policies shall include or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of Landlord before Landlord's own insurance or self-insurance shall be called upon to protect it as a named insured.

(h) Waiver of Subrogation. Tenant and Landlord each hereby release and relieve each other and waive their right of recovery against the other for loss or damage arising out of or incident to the perils insured against under Section 18(c), which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their agents, employees, contractors and/or invitees but only to the extent of insurance coverage. Tenant shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Agreement and obtain the insurance carrier's written consent thereto.

(i) Indemnity. Commencing with Tenant's taking possession of the Premises, Tenant shall indemnify, defend, protect, and hold harmless Landlord (and Landlord's Council Members, officers, employees, agents and contractors) from and against any and all claims, losses, proceedings, damages, causes of action, liability, costs and expenses (including attorneys' fees), arising from or in connection with, or caused by (i) any act, omission or negligence of Tenant or any sublessee of Tenant, or their respective contractors, licensees, invitees, agents, servants or employees, wheresoever the same may occur; (ii) any use of the Premises, or any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part thereof, or from the conduct of Tenant's business or from any activity, work or thing done, permitted or suffered by Tenant or its sublessees, contractors, employees, or invitees, in or about the Premises (other than when arising as a result of latent construction defects of the Sports Park Improvements or Landlord's gross negligence or intentional misconduct); any breach or default in the performance of any obligations on Tenant's part to be performed under the terms of this Agreement, or arising from any negligence of Tenant, or any such claim or any action or proceeding brought thereon; and (iv) the active and passive negligence of Landlord with respect to the operation of the Sports Park; and in case any action or proceeding be brought against Landlord (or Landlord's councilmembers, officers, employees, agents and contractors) by reason of any such claim, Tenant upon notice from Landlord shall defend the same at Tenant's expense by counsel satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to person in, upon or about the Premises arising from any cause other than latent construction defects of the Sports Park Improvements or Landlord's gross-negligence or intentional misconduct, and Tenant hereby waives all claims in respect thereof against Landlord. These provisions are in addition to, and not in lieu of, the insurance required under this Section 18. Additionally, the insurance coverage provided pursuant to this Agreement shall not be limited by this indemnity provision.

19. Condemnation.

(a) Definitions.

(i) "Condemnation" means (A) the exercise of any governmental power, whether by legal proceedings or otherwise, by a Condemnor and (B) a voluntary sale or transfer by Landlord to any Condemnor, either under threat of condemnation or while legal proceedings for condemnation are pending.

(ii) "Date of Taking" means the date the Condemnor has the right to possession of the property being condemned.

(iii) "Award" means all compensation, sums, or anything of value awarded, paid, or received on a total or partial condemnation.

(iv) "Condemnor" means any public or quasi-public authority, or private corporation or individual, having the power of condemnation or eminent domain.

(b) Rights and Obligations Governed by Lease. If during the Term there is any taking of all or any part of the Premises or any interest in this Agreement by Condemnation, the rights and obligations of the parties shall be determined pursuant to this Section. Each party waives the provisions of California Code of Civil Procedure Section 1265.130 allowing either party to petition the Superior Court to terminate this Agreement in the event of a partial taking of the Premises.

(c) Total Taking. If the Premises are totally taken by Condemnation, this Agreement shall terminate on the Date of Taking.

(d) Partial Taking. If any portion less than all of the Premises is taken by Condemnation, this Agreement shall remain in effect, except that Tenant can elect to terminate this Agreement if, in Tenant's opinion, the portion of the Premises not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the award available for repair, so as to be suitable for Tenant's continued use of the Premises for the same use as the Premises are being used immediately prior to the taking and the remaining premises would not be economically feasibly usable by Tenant. If Tenant elects to terminate this Agreement, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the nature and the extent of the taking have been finally determined. If Tenant elects to terminate this Agreement, Tenant also shall notify Landlord of the date of termination, which date shall not be later than 90 days after Tenant has notified Landlord of its election to terminate; except that this Agreement shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not terminate this Agreement within the ninety-day period, this Agreement shall continue in full force and effect.

(e) Restoration of Premises. If there is a partial taking of the Premises and this Agreement remains in full force and effect pursuant to Section 19(d), Tenant shall commence all necessary restoration as promptly as reasonably practicable under the circumstances but in all events within thirty (30) days after receipt of the condemnation award, and shall thereafter diligently pursue such restoration work to completion.

(f) Temporary Taking. On any taking of the temporary use of all or any part or parts of the Premises for a period, or of any estate less than a fee, ending on or before the expiration date of the Term, the Term shall not be reduced, extended, or affected in any way, and Tenant shall be entitled to any Award for the use or estate taken, provided that in the event the temporary taking reasonably can be expected to last more than ninety (90) days, Tenant can elect to terminate the Sports Park Lease as though the temporary taking were a partial taking under Section 19(d). If a result of the taking is to necessitate expenditures for changes, repairs, alterations, modifications,

or reconstruction of the improvements, the Award shall be paid to Tenant, and Tenant shall accomplish all necessary changes, repairs, alterations, modifications or reconstruction of the improvements as promptly as reasonably practicable under the circumstances but in all events within thirty (30) days after receipt of the condemnation award, and shall thereafter diligently pursue such restoration work to completion. At the completion of the work and the discharge of the Premises from all liens and claims, Tenant shall be entitled to any surplus and shall be liable for any deficit. If any such taking is for a period extending beyond the expiration date of the Term, the taking shall be treated under the foregoing provisions for total and partial takings, depending upon whether the temporary taking is of all or only a part of the Premises.

(g) Application of Award. No award for any partial or entire taking shall be apportioned, and Tenant hereby assigns to Landlord any award which may be made in such taking or condemnation, together with any and all rights of Tenant now or hereafter arising in or to the same or any part thereof; provided, however, that nothing contained herein shall be deemed to give Landlord any interest in or require Tenant to assign to Landlord any award made to Tenant for the unamortized value of any additions or improvements on the Premises constructed by Tenant in accordance with this Agreement (amortized on a straight line basis over the remainder of the Term of this Agreement from the date of the taking), the taking of personal property and fixtures belonging to Tenant and removable by Tenant at the expiration of the Term hereof, as provided hereunder, or for the interruption of, damage to, or loss of Tenant's business and goodwill, or for relocation expenses recoverable against the condemning authority, or in the event of a partial taking, the cost of restoring the Premises to a usable condition.

20. Assignment, Subletting and Encumbering

(a) Prohibition Against Assignment, Subletting, and Encumbering. Tenant shall not assign, transfer, or encumber all or any portion of its interest in this Agreement or in the Premises, or sublease substantially all or any part of the Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy or use all or any part of the Premises except an entity of which the majority interest is owned and controlled directly or indirectly by BLD USA. Tenant may assign, transfer or sublease all of the interest in this Agreement or in the Premises with the Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. No licensees or concessionaires of all or part of the Premises shall be affiliates of Tenant or owned or controlled by Tenant, or Tenant's owners or officers, except for entities which are listed on a national stock exchange, without Landlord's prior written consent which may be withheld in the Landlord's sole discretion. In no event are Tenants authorized to encumber the Premises. BLD Sports, is hereby authorized to engage in revenue generating activities at the Sports Park (and other Big League Dreams Sports Parks) as provided in Section 4(c) of this Agreement and to contribute to the payment of rent under this Agreement. Notwithstanding any other provision in this Agreement, any agreement entered into by Tenant or its affiliates related to the Premises or this Agreement, will be deemed terminated upon termination of this Agreement.

(i) Tenant shall first notify Landlord at least forty-five (45) days prior to the proposed effective date of any assignment or sublease, in writing, of its desire to do so and shall submit in writing to Landlord (1) the name of the proposed subtenant or assignee, (2) the terms and conditions of the proposed sublease or assignment (including a copy of the written agreement for same) and (3) financial statements for the two most recent completed fiscal years of

the proposed sub tenant or assignee, and a bank reference. Thereafter, Tenant shall furnish such supplemental information as Landlord may request concerning the proposed sub-tenant or assignee. At any time within 30 days after Landlord's receipt of the information specified above, Landlord may by written notice to Tenant elect to (1) consent to the sublease or assignment, or (2) disapprove of the sublease or assignment in Landlord's reasonable discretion. Such grounds may include, without limitation, a possible material adverse effect upon the reputation of the Sports Park from the nature of the subtenant or assignee, or a reputation for financial reliability on the part of the proposed sub-tenant or assignee which is unsatisfactory in the reasonable judgment of Landlord, insufficient experience of the subtenant or assignee to operate the Sports Park, or likely adverse impact on the Gross Revenues of the Sports Park, or inexperience in performance of Tenant's other obligations under this Agreement. If Landlord consents to the sublease or assignment within the 45-day period, Tenant may thereafter enter into such assignment or sublease of the Premises, upon the terms and conditions and as of the effective date set forth in the information furnished by Tenant to Landlord.

(ii) Notwithstanding Landlord having granted its consent to any assignment of subleasing, prior to the effective date of any assignment or the commencement date of any sublease, Tenant shall furnish Landlord with a copy of (A) the fully executed sublease or assignment agreement, and (B) any other agreements between such parties.

(iii) No sublease of the Premises or portion thereof, or assignment of this Agreement, shall be for a period of less than one (1) year, nor shall any sublease extend beyond the expiration date of the Term, or early termination of this Agreement.

(iv) Each permitted assignee, transferee or sublessee shall assume and be deemed to have assumed this Agreement. In the case of an assignment of this Agreement to which Landlord consents in writing, Landlord shall not release Tenant from any further obligations arising under this Agreement after the date of the assignment unless such assignment specifically provides for said release. No assignment shall be binding on Landlord unless such assignee or Tenant shall deliver to Landlord a counterpart of such assignment which contains a covenant of assumption by the assignee, but the failure or refusal of the assignee to execute such instrument of assumption shall not release or discharge the assignee from its liability as set forth above.

(b) Structural Changes of Tenant

(i) If Tenant is a partnership, a transfer or cumulative transfers which result in more than fifty-one percent (51%) of the general partnership interests, or the dissolution of the partnership, or the sale or other transfer of substantially all of the assets of Tenant, shall be deemed to be an assignment of this Agreement subject to the restrictions of this Section 20.

(ii) If Tenant is a corporation, unless Tenant is a public corporation whose stock is regularly traded on a national stock exchange, or is regularly traded in the over-the-counter market and quoted on NASDAQ, any dissolution, merger, consolidation, or other reorganization of Tenant or sale or other transfer of a percentage of capital stock of Tenant which results in a change of controlling persons, or the sale or other transfer of substantially all of the assets of Tenant, shall be deemed to be an assignment of this Agreement subject to the restrictions of this Section 20.

(iii) If Tenant is a limited liability company, then a change or cumulative changes which result in more than fifty-one percent (51%) of the voting or managerial control of the members comprising Tenant, or the dissolution of the company, or the sale or other transfer of substantially all of the assets of Tenant, shall be deemed to be an assignment of this Agreement subject to the restrictions of this Section 20.

(iv) Any dissolution, merger, consolidation, or other reorganization of Tenant, or the sale or other transfer of a controlling percentage of the capital stock or membership or partnership interest of Tenant, shall be deemed a voluntary assignment hereof, subject to the restrictions of this Section 20. The phrase "controlling percentage" means the ownership of, or the right to vote, stock possessing fifty-one percent (51%) or more of the total combined voting power of all classes of Tenant's capital stock issued, outstanding, and entitled to vote for the election of directors, or fifty-one percent (51%) or more of the voting membership or partnership interests. As to any issuance or transfer of shares or partnership or membership interests, whatsoever, Tenant shall promptly notify Landlord of (i) the number of shares, partnership interests or membership interests issued or transferred; (ii) the name of the recipient or transferee of such shares, partnership interests or membership interests, and (iii) the number of all shares of Tenant then issued and outstanding, and the percentage of all shares so transferred or changed. If Tenant changes to a partnership or limited liability company, the foregoing provisions shall similarly apply to partnership interests or membership so transferred or created.

(c) Additional Provisions. No consent by Landlord to any assignment, or sublease shall constitute a waiver of the provisions of this Section. Tenant shall not make any modifications to an approved sublease without Landlord's prior written consent. Any attempted assignment, or sublease, if not approved by Landlord in advance pursuant to this Section 20, shall be voidable by Landlord and, at Landlord's election, shall constitute a default hereunder. For purposes of this Agreement, the creation of any concession agreement or similar agreement is considered a license.

21. Default.

(a) Tenant's Default. The occurrence of any of the following shall constitute a default by Tenant:

(i) Failure to pay rent (whether Rent, or any other rent due to Landlord) or any other additional payment required to be made by Tenant hereunder as and when due, where such failure continues for ten (10) days after delivery by Landlord to Tenant of written notice of such failure.

(ii) Failure to pay any utility charges or taxes on a timely basis, or the failure to provide any insurance required hereunder, where such failure continues for fifteen (15) days after delivery by Landlord of written notice of such failure to Tenant.

(iii) Abandonment or surrender of the Premises or the leasehold estate by Tenant.

(iv) Failure to perform any other covenant or provision of this Agreement, if the failure to perform is not cured within thirty (30) days after delivery by Landlord

to Tenant of written notice. If the failure to perform cannot reasonably be cured within thirty (30) days, Tenant shall not be in default of this Agreement if Tenant commences to cure the failure to perform within the thirty (30) day period and thereafter diligently and in good faith prosecutes the cure to completion.

(v) The subjection of any right or interest of Landlord to attachment, execution, or other levy, or to seizure under legal process, if not released within 60 days after notice from Landlord to Tenant.

(vi) An assignment by Tenant for the benefit of creditors or the filing of a voluntary or involuntary petition by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt; or for extending time for payment, adjustment, or satisfaction of Tenant's liabilities; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; unless the assignment or proceeding, and all consequent orders, adjudications, custodies, and supervision are dismissed, vacated, or otherwise permanently stayed or terminated within 60 days after the assignment, filing, or other initial event.

(vii) The appointment of a receiver, unless such receivership is terminated within sixty (60) days after the appointment of the receiver, to take possession of Tenant's interest in the Premises or of Tenant's interest in the leasehold estate or of Tenant's operations on the Premises for any reason, including but not limited to, assignment for benefit of creditors or voluntary or involuntary bankruptcy, but not including receivership (A) pursuant to a permitted first leasehold encumbrance, or (B) instituted by Landlord, the event of default being not the appointment of a receiver at Landlord's instance but the event justifying the receivership.

(b) Landlord's Remedies.

(i) Cumulative Nature of Remedies. If any default by Tenant shall continue uncured, following notice of default as required by this Agreement, for the period stated in such notice, Landlord shall have the remedies described in this subsection (b) in addition to all other rights and remedies provided by law or equity, to which Landlord may resort cumulatively or in the alternative.

(ii) Termination. Landlord may terminate this Agreement by giving Tenant written notice of termination. In the event Landlord terminates this Agreement, Landlord may recover possession of the Premises (which Tenant shall surrender and vacate upon demand) and remove all persons and property therefrom, and Landlord shall be entitled to recover as damages all of the following:

(A) The worth at the time of the award of any unpaid Rent or rent or other charges which have been earned at the time of termination;

(B) The worth at the time of the award of the amount by which the unpaid rent and other charges which would have been earned after termination until the time of the award exceeds the amount of the loss of such rental or other charges that Tenant proves could have been reasonably avoided;

(C) The worth at the time of the award of the amount by which

the unpaid rent and other charges for the balance of the Term after the time of the award exceeds the amount of the loss of such rental and other charges that Tenant proves could have been reasonably avoided; and

(D) Any other amount necessary to compensate Landlord for the detriment proximately caused by Tenant's failure to perform its obligations under this Agreement or which in the ordinary course of things would be likely to result therefrom.

(iii) Worth Defined. As used in subsections (A) and (B) above, the "worth at the time of the award" shall be computed by allowing interest at the rate of 10% per annum. As used in subsection (C) above, the "worth at the time of the award" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award.

(iv) Continuation of the Lease. Even though Tenant has breached this Agreement and abandoned the Premises, at Landlord's option this Agreement shall continue in effect for so long as Landlord does not terminate Tenant's right to possession, and Landlord may enforce all of its rights and remedies hereunder, including the right to recover rent as it comes due under this Agreement. For purposes of this subsection, the following shall not constitute a termination of Tenant's right to possession: (i) acts of maintenance or preservation or efforts to relet the Premises; or (ii) the appointment of a receiver under the initiative of Landlord to protect Landlord's interest under this Agreement.

(v) Use of Tenant's Personal Property. Landlord may at Landlord's election use Tenant's personal property and trade fixtures located on, about or appurtenant to the Premises or any of such property and fixtures without compensation and without liability for use or damage, or store them for the account and at the cost of Tenant. The election of one remedy for any one item shall not foreclose an election of any other remedy for another item or for the same item at a later time. Notwithstanding the foregoing, Tenant may remove items of personal property from the Premises which are not items of furnishings, trade fixtures, or equipment listed in Exhibit "I" to this Agreement, in the event of such default by Tenant.

(vi) Assignment of Subrents. Tenant assigns to Landlord all subrents and other sums falling due from subtenants, licensees, and concessionaires (herein collectively called "subtenants") during any period in which Landlord has the right under this Agreement, whether exercised or not, to reenter the Premises for Tenant's default, and Tenant shall not have any right to such sums during that period. This assignment is subject and subordinate to any and all assignments of the same subrents and other sums to the lender under a permitted first leasehold encumbrance. Landlord may at Landlord's election reenter the Premises with or without process of law, without terminating this Agreement, and either or both collect these sums or bring action for the recovery of the sums directly from such obligors. Landlord shall receive and collect all subrents and proceeds from reletting, applying them: first, to the payment of reasonable expenses (including attorneys' fees or brokers' commissions or both) paid or incurred by or on behalf of Landlord in recovering possession, placing the Premises in good condition, and preparing or altering the Premises for reletting; second, to the reasonable expense of securing new subtenants; third, to the fulfillment of Tenant's covenants to the end of the Term; and fourth, to Landlord's uses and purposes. Tenant shall nevertheless pay to Landlord on the due dates specified in this

Agreement the equivalent of all sums required of Tenant under this Agreement, plus Landlord's expenses, less the proceeds of the sums assigned and actually collected under this provision.

(c) Late Charge. Tenant hereby acknowledges that late payment by Tenant to Landlord of rent and other charges due under this Agreement will cause Landlord to incur costs not contemplated by this Agreement, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to processing and accounting charges, and late charges which may be imposed on Landlord by the Terms of any mortgage or trust deed covering the Premises, or bond issues of Landlord. Accordingly, if any installment of rent or any other charge due from Tenant is not received by Landlord or Landlord's designee within ten (10) days after such amount shall be due, then, at Landlord's election and upon Landlord's demand, Tenant shall pay to Landlord a late charge equal to five percent (5%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of the late payment by Tenant. No late charge may be imposed more than once for the same late rental payment. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount. If Tenant fails to pay any Rent in the time required by this Agreement and such failure continues for ten (10) days after delivery by Landlord to Tenant of written notice of such failure, then Landlord also has the right to require that all future Rent be payable monthly rather than quarterly. Landlord shall give Tenant written notice of such election at least five (5) days before the next monthly payment is due.

(d) Landlord's Default. The occurrence of the following shall constitute a default by Landlord: Landlord's failure to perform any covenant or provision of this Agreement, if the failure to perform is not cured within thirty (30) days after delivery by Tenant to Landlord of written notice specifying the specific nature of the alleged default. If the failure to perform cannot reasonably be cured within thirty (30) days, Landlord shall not be in default of this Agreement if Landlord commences to cure the failure to perform within the thirty (30) day period and thereafter diligently and in good faith prosecutes the cure to completion.

(e) Tenant's Remedies. If any default by Landlord shall continue uncured, following notice of default as required by this Agreement, for the period, if any, applicable to the provision of this Agreement, Tenant may terminate this Agreement and/or pursue any and all other rights and remedies available at law or in equity under the laws of the State of California.

22. Landlord's Entry on Premises. Landlord and its authorized representatives shall have the right, during hours the Sports Park is open for business, to enter the Premises at all reasonable times, upon giving at least 72 hours prior notice, for any of the following purposes:

(a) To determine whether the Premises are in good condition and whether Tenant is complying with its obligations under this Agreement;

(b) To serve, post, or keep posted any notices required or allowed under the provisions of this Agreement;

(c) To show the Premises to prospective brokers, agents, buyers, lenders, or persons interested in an exchange, at any time during the Term.

Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business,

nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this section, except damage resulting from the acts or omissions of Landlord or its authorized representatives. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises any rights reserved in this section. Landlord shall conduct its activities on the Premises as allowed in this section in a manner that reasonably attempts to minimize any inconvenience, annoyance, or disturbance to Tenant's construction or business operations.

23. Notices. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party shall be in writing and shall be given to the addresses set forth below, and shall be deemed delivered three days after deposit into the United States mail, postage prepaid, by registered or certified mail, return receipt requested. Unless notice of a different address has been given in accordance with this Section, all such notices shall be addressed as follows:

If to Landlord, to: City of Chino Hills
14000 City Center Drive
Chino Hills, California 91709
Attention: City Clerk

If to Tenant, to: Big League Dreams Chino Hills, LLC
16339 Fairfield Ranch Road
Chino Hills, California 91709
Attention: Chief Operating Officer

24. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

25. Litigation Concerning Validity of this Agreement. In the event any litigation is undertaken against Landlord challenging the validity of this Agreement (including, without limitation, any CEQA challenge or any answer to a validation action brought by Landlord with respect to this Agreement or the Sports Park), then Landlord shall have the right to terminate this Agreement by written notice to Tenant without any further liability to Tenant whatsoever; provided, however, Landlord shall not terminate this Agreement if Tenant shall agree in writing to indemnify, defend, and hold harmless Landlord for all costs and expenses incurred by Landlord on account of such litigation, and shall deposit with Landlord reasonable cash or cash equivalent security therefor. Such defense shall be undertaken by legal counsel selected and paid for by Tenant, subject to Landlord's reasonable approval. Landlord shall have no liability to Tenant if this Agreement is terminated by reason of such challenge.

26. Estoppel Certificates. At any time and from time to time, within thirty (30) days after notice of request by either party, the other party shall execute, acknowledge, and deliver to the requesting party, or to such other recipient as the notice shall direct, a statement certifying that this Agreement is unmodified and in full force and effect; or, if there have been modifications, that it is in full force and effect as modified in the manner specified in the statement and acknowledging that there are no uncured defaults or failures to perform any covenant or provision of this Agreement on the part of the requesting party or specifying any such defaults or failures which are

claimed to exist. The statement shall also state the dates to which the rent and any other charges have been paid. The statement shall be such that it can be relied on by any auditor, creditor, commercial banker, and investment banker of either party and by any prospective purchaser or the lender of the Premises or all or any part or parts of Tenant's or Landlord's interests under this Agreement. Either party's failure to execute, acknowledge, and deliver, on request, the certified statement described above within the specified time shall constitute a breach of this Agreement. If Tenant fails to deliver the certificate within ten (10) days, Tenant constitutes and appoints Landlord as its special attorney-in-fact to execute and deliver the certificate to a third party, which appointment is irrevocable and is hereby coupled with an interest.

27. Subordination. This Agreement is subject and subordinate to all prior leases and underlying liens, mortgages and deeds of trust which now affect the Premises or the real property of which it is a part, and to all renewals, modifications, consolidations, replacements, and extensions thereof. If the holder or holders of any such mortgage or deed of trust shall advise Landlord that they desire or require this Agreement to be prior and superior thereto, upon written request of Landlord to Tenant, Tenant agrees promptly to execute, acknowledge, and deliver any and all documents or instruments which are reasonably necessary or desirable for purposes thereof. Landlord shall have the right to cause this Agreement to be and become and remain subject and subordinate to future and further ground or underlying bond financing, financing leases, mortgages or deeds of trust which may hereafter be executed covering the Premises and the real property of which it is a part, or any renewals, modifications, consolidations, replacements or extensions thereof, for the full amount of all advances made or to be made thereunder and without regard to the time or character of such advances, together with interest thereon and subject to all the terms and provisions thereof. Tenant agrees, within thirty (30) days after Landlord's written requests therefor, to execute, acknowledge, and deliver any and all documents or instruments requested by Landlord, or that are necessary or proper to assure the subordination of this Agreement to any such mortgages, deeds of trust, or leasehold estates; provided, however, that the foregoing provisions with respect to such election of subordination by Landlord shall not be effective unless the owner or holder of any such mortgage, deed of trust, or leasehold estate shall execute with Tenant a non-disturbance agreement under which such owner, holder, or lessor shall agree, in the event of termination of such leasehold estate or upon the foreclosure of any such mortgage or deed of trust, that Tenant's quiet enjoyment of the Premises will not be disturbed so long as Tenant pays rent and observes and perform all of the provisions of this Agreement to be observed and performed by Tenant. Notwithstanding anything to the contrary set forth in this Section, Tenant hereby attorns and agrees to attorn to (at the option of) any person, firm, or corporation purchasing or otherwise acquiring the Premises at any sale or other proceeding or pursuant to the exercise of any other rights, powers, or remedies under such mortgages, or deeds of trust, or ground or underlying leases, as if such person, firm, or corporation had been named as Landlord herein, being intended hereby that if this Agreement is terminated, cut off, or otherwise defeated by reason of any act or actions by the owner or holder of any such mortgage or deed of trust or the lessor under any such leasehold estate, then, at the option of any such person, firm, or corporation so purchasing or otherwise acquiring the Sports Park and the real property of which it is a part, this Agreement shall continue in full force and effect.

28. Sale or Transfer by Landlord. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, the transferor shall automatically be relieved of any and all obligations and liabilities on the part of the Landlord

accruing from and after the date of such transfer; provided, however, that any funds in the hands of Landlord in which Tenant has an interest, at the time of such transfer, shall be turned over to the transferee and upon such transfer, Landlord shall be discharged from any further liability with reference to such funds. in the event of any transfer or transfers of Landlord's interest in the Premises, Landlord shall cause the transferee to execute a non-disturbance agreement as described in Section 27 with the same force and effect. Finally in the event of any such transfer or transfers, the covenants and obligations of Landlord contained in this Agreement shall be binding upon Landlord, its successors and assigns only during their respective periods of ownership.

29. Surrender of Premises. At the expiration or earlier termination of the Term, Tenant shall surrender to Landlord the possession of the Premises. Surrender or removal of improvements, fixtures and trade fixtures shall be as directed in the provisions of this Agreement on ownership of improvements, fixtures and trade fixtures at expiration or termination of this Agreement. Except as provided in Section 17 hereof to the contrary, Tenant shall leave the surrendered property and any other property in good and broom clean condition. All personal property that Tenant is not required to surrender but that Tenant does abandon shall, at Landlord's election, become Landlord's property at expiration or the sooner termination of this Agreement.

30. Holding Over. If Tenant remains in possession of the Premises or any part thereof after the expiration or termination of the Term of this Agreement, such occupancy shall be a tenancy from month to month upon all the provisions of this Agreement pertaining to the obligations of Tenant.

31. Representations, Warranties and Acknowledgments. Tenant makes the following representations, warranties and acknowledgments as of the date of this Agreement and agrees that such representations, warranties and acknowledgments shall survive and continue thereafter:

(a) Status. If Tenant is a corporation, it is duly organized, validly existing, in good standing under the laws of the state of its incorporation, has stock outstanding, which has been duly and validly issued, and is qualified to do business and is in good standing in the State of California with full power and authority to perform the obligations contemplated hereby. If Tenant is a partnership, it is duly formed and validly existing and has all power and authority to consummate the transactions contemplated hereby. If Tenant is a limited liability company, it is duly formed and validly existing and has all power and authority to perform the obligations contemplated hereby. Throughout the Term of this Agreement, Tenant shall be and remain a single-purpose, bankruptcy remote entity.

(b) Authority. Tenant has complied with all laws and regulations concerning its organization, existence and transaction of business. Tenant has the right and power to lease and operate the Premises as contemplated in this Agreement. Tenant has, or at all appropriate times shall have properly obtained, all permits, licenses and approvals necessary to occupy and operate the Improvements on the Land and in so doing has, or shall have (as appropriate), substantially complied with all applicable statutes, laws, regulations and ordinances.

(c) No Litigation. There is no litigation, action, suit, or other proceeding pending or threatened against Tenant or any guarantor, the Land, or of the Premises which may in any manner whatsoever substantially adversely affect the validity, priority, or enforceability of this

Agreement or the construction, use, occupancy or operation of the Premises.

(d) Enforceability. Tenant has full right, power and authority to execute and deliver this Agreement and all instruments executed pursuant hereto, and to perform the undertakings of Tenant contained in this Agreement and all agreements executed pursuant hereto. This Agreement and all agreements executed pursuant hereto constitute valid and binding obligations of Tenant which are legally enforceable in accordance with their Terms, subject to the laws of bankruptcy, creditor's rights exceptions, and equity.

(e) No Breach. None of the undertakings of Tenant contained in this Agreement and all agreements executed pursuant hereto violates any applicable statute, law, regulation or ordinance or any order or ruling of any court or governmental entity, or conflicts with, or constitutes a breach or default under, any agreement by which Tenant is, or the Premises, bound or regulated.

(f) Accuracy. To the best of Tenant's knowledge, all documents, reports, instruments, papers, data, information and forms of evidence delivered to Landlord by Tenant with respect to this Agreement and all agreements executed pursuant hereto are accurate and correct, are complete insofar as completeness may be necessary to give Landlord true and accurate knowledge of the subject matter thereof, and do not contain any material misrepresentation or omission. Landlord may rely on such reports, documents, instruments, papers, data, information and forms of evidence without any investigation or inquiry, and any payment made by Landlord in reliance thereon shall be a complete release in Landlord's favor for all sums so paid.

(g) Taxes. To the best of Tenant's knowledge, Tenant has filed all federal, state, county and municipal tax returns required to have been filed by Tenant, and has paid all taxes which have become due pursuant to such returns or to any notice of assessment received by Tenant. Tenant has no knowledge of any basis for additional assessment with respect to such taxes.

32. Special Provisions.

(a) Landlord Use of Premises. Tenant agrees to make the Premises available to the Landlord seven (7) days each year for community activities. The seven (7) dates shall include the Fourth of July and six (6) other days mutually agreed to by Landlord and Tenant. The City shall not permit a for-profit entity to use one of its seven (7) dates for events benefitting its commercial interests but may allow such for-profit entities to participate if organized by and for the benefit of nonprofit organizations. On such dates, the Premises shall be made available to the Landlord for the exclusive use of the Landlord, free of charge; provided, however, any food or beverages consumed by the Landlord or its guests and invitees on such days shall be charged to the Landlord or the guests and invitees based on Tenant's usual and customary charges for such food or beverages and Landlord shall pay for all personnel costs which are not associated with the operation of the food or beverage service portion of the Sports Park. Entrance fees to the Premises on the Fourth of July shall be set by the Landlord and shall be the property of the Landlord and shall not be considered Gross Revenues. The entrance fees on the other six (6) days shall be charged in accordance with the entrance fee normally charged by Tenant and shall be the property of the Tenant; provided, however, and Landlord shall have the right to increase the fee on such dates and the such increased amount shall be the property of the Landlord and shall not be

considered Gross Revenues. Any revenues received by the Tenant from the Landlord as described above shall not be included in calculations of Gross Revenues. On the Fourth of July, Landlord can allow non-profit groups to sell food and other products on the Premises; provided, however, that neither Landlord nor any invitee, vendor or group other than Tenant, shall have the right to sell any alcoholic beverage in or from the Sports Park.

(b) Pre-Opening Expenses. Tenant acknowledges that Tenant will be responsible for the initial capitalization of Tenant's business operations on the Premises and will be responsible for start-up expenses in connection with Tenant's business operations including, without limitation, training of employees, acquisition of inventory and pre-opening marketing expenses.

(c) Competing Business. During the term of this Lease or for a period of twenty (20) years from the Term Commencement Date, whichever is longer, neither Tenant, nor an Affiliate of Tenant, shall own, lease, or manage, nor license the use of the name "Big League Dreams" in connection with, a competing sports park facility similar in nature and function to the Sports Park located either within a forty (40) mile radius of the Land or Claremont, Corona, Ontario, Fontana, Norco, Rancho Cucamonga, Pomona or Chino. For purposes of this paragraph, the term "Affiliate" shall mean Big League Dreams USA, LLC, Tenant and any entity owned or controlled by Big League Dreams USA, LLC or Tenant, but not including publicly traded companies listed on a national stock exchange. However, in the event the Agreement is terminated due to a breach by the Landlord then this provision will be of no further force or effect.

33. Miscellaneous.

(a) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

(b) Time is Essence. Time is of the essence herein.

(c) Additional Rent. Any monetary obligations of Tenant to Landlord under the Terms of this Agreement shall be deemed to be rent.

(d) Quiet Enjoyment. Upon Tenant's paying the Rent and other sums provided hereunder, and observing and performing all of the covenants, conditions, and provisions on Tenant's part to be observed and performed hereunder, Tenant shall enjoy the quiet possession of the Premises for the entire Term hereof, subject to all of the provisions of this Agreement.

(e) Waivers. The waiver by Landlord or Tenant of any breach by the other party of any Term, covenant, or condition herein contained shall not be deemed to be a waiver of such Term, covenant, or condition or any subsequent breach of the same or any other Term, covenant, or condition herein contained. The subsequent acceptance of all or part of the rent due hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any Term, covenant, or condition of this Agreement, other than the failure to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. Acceptance by Landlord of a part payment of the rent or any other sum due shall not be construed as a waiver by Landlord of any rights to collect the balance of the rent due unless Landlord has executed a specific written waiver of the specific amount due on an instrument

separate from the check by which the payment is tendered.

(f) Brokers. Each party warrants to and for the benefit of the other that it has had no dealings with any real estate broker or other agent (attorneys excepted) in connection with the negotiation or making of this Agreement. Landlord shall indemnify Tenant for breaches by Landlord of this warranty, and Tenant shall indemnify Landlord for any breaches by Tenant of this warranty.

(g) Headings. The captions of the various sections of this Agreement are for convenience and ease of reference only and do not define, limit, augment, or describe the scope, contents, or intent of this Agreement or of any part or parts of this Agreement.

(h) Inspection of Books and Records. Landlord shall have the right upon seventy-two (72) hours' notice between 9:00 a.m. and 5:00 p.m. on weekdays to inspect the books and records of Tenant relevant to the purposes of this Agreement.

(i) Merger. The voluntary or other surrender of this Agreement by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not work a merger, but instead, at the option of Landlord, shall either terminate all or any existing subtenancies, or at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

(j) Gender; Number. The neuter gender includes the feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes corporations, partnerships and other legal entities whenever the context so requires. The singular number includes the plural whenever the context so requires.

(k) No Joint Venture. Nothing contained herein shall be construed to render the Landlord in any way or for any purpose a partner, joint venturer, or associated in any relationship with Tenant other than that of Landlord and Tenant, nor shall this Agreement be construed to authorize either party to act as agent for the other, or to make Landlord in any way responsible for the liabilities, debts or losses of Tenant.

(l) Exhibits. All exhibits to which reference is made in this Agreement are hereby incorporated by reference in full. Any reference to "this Agreement" includes matters incorporated by reference.

(m) Entire Agreement; Modification. This Agreement contains the entire agreement between the parties. No verbal agreement or implied covenant shall be held to vary the provisions hereof, any statements, law or custom to the contrary notwithstanding. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by either party. Each party has relied on its own inspection of the Premises and examination of this Agreement, the counsel of its own advisors, and the warranties, representations, and covenants in this Agreement itself. The failure or refusal of either party to inspect the Premises, to read this Agreement or other documents, or to obtain legal or other advice relevant to this transaction constitutes a waiver of any objection, contention, or claim that might have been based on such reading, inspection, or advice. No provision of this Agreement may be amended or varied except by an agreement in writing signed by the parties hereto and the lender under a permitted first leasehold encumbrance or their respective permitted successors.

(n) Joint and Several Obligations. If more than one person or entity is Tenant herein, the obligations imposed on such parties shall be joint and several.

(o) Severability. The invalidity or illegality of any provision shall not affect the remainder of this Agreement and all remaining provisions shall, notwithstanding any such invalidity or illegality, continue in full force and effect.

(p) Consents of Landlord. Neither Landlord's execution of this Agreement nor any consent or approval given by Landlord hereunder in its capacity as Landlord shall waive, abridge, impair or otherwise affect Landlord's powers and duties as a governmental body. Any requirements under this Agreement that Tenant obtain consents or approvals of Landlord are in addition to and not in lieu of any requirements of law that Tenant obtain approvals, licenses, or permits.

(q) Records. Tenant shall keep all such records at the Premises or at another location in San Bernardino County approved by Landlord.

(r) Recordation of Memorandum of Lease. This Agreement shall not be recorded without Landlord's consent. A Memorandum of this Agreement shall be recorded in the Official Records of San Bernardino County, California, within thirty (30) days after full execution of this Agreement.

(s) Execution in Counterparts. This Agreement, or the Memorandum of this Agreement, or both, may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

34. Maintenance of Neighborhood Park.

Tenant shall maintain the Fairfield Ranch Park which is located adjacent and northeast of the Sports Park in a manner which is consistent with the Fairfield Ranch Park Maintenance Requirements in Exhibit J.

(i) Landlord shall at any time enter Fairfield Ranch Park and inspect, using Landlord's staff, contractors, and/or consultants, the operations and conditions of Fairfield Ranch Park to confirm compliance with this Agreement.

(ii) In addition to the inspection rights set forth above, Landlord shall perform quarterly comprehensive inspections of the conditions of Fairfield Ranch Park to prepare a Quarterly Condition Report, which shall include verification of Tenant's compliance with conditions established in Exhibit J. Landlord shall supply to Tenant a copy of each such quarterly report to the Tenant within seven days of such quarterly inspection.

(iii) Tenant shall make quarterly inspections of the Sports Park to prepare its own Quarterly Condition Report, and shall provide a copy of each such quarterly report to the Landlord within seven days of such quarterly inspection. Tenant's quarterly inspections shall occur within 10 calendar days of the commencement of each calendar quarter, i.e. within 10 days of January 1, April 1, July 1, October 1.

(iv) Landlord shall have the right to cause repairs to any item in disrepair or improperly functioning, as solely and reasonably determined by Landlord, that is noted in a Quarterly Condition Report that remains in disrepair or is still improperly functioning at the following quarterly condition report. At completion of such repairs, Landlord may send Tenant an invoice for the amount of the repairs, and such amount shall be added to the Rent owed by Tenant to City for the quarter in which the repairs were completed.

35. All Agreement Terms - Notice and City Action Required Tenant affirms and warrants that as of the date of this Agreement, the terms offered to Landlord, including without limitation rent payments (including all components that determine rent payment) and capital expenditures, are no less favorable than those in any lease or similar agreement to which BLD Chino Hills, BLD USA, or any of their affiliates are a party for a reasonably similar sports complex. Tenant covenants and agrees that if it subsequently enters into a lease or similar agreement with more favorable terms, as determined by the Landlord, it will notify Landlord promptly in writing, no later than 10 days from execution of such lease or similar agreement, and Landlord may, at its option, receive the such more favorable terms, which shall become retroactively effective, to date that such favorable term existed, or effective upon a date chosen by Landlord following the date the more favorable term existed, upon Landlord's transmittal of notice of its option exercise. The foregoing notwithstanding, Tenant agrees, at its sole expense, to take such further actions as Landlord may reasonably request to effectuate and document the foregoing, including without limitation, entering into an amendment to this Agreement. Prior to executing this Agreement, Tenant agrees and represents and warrants that is has furnished Landlord with copies of all comparable leases or other similar sports complex agreements between to which BLD Chino Hills, BLD USA, or any of their affiliates are a party that are or may subsequently become effective during this Agreement's Term.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

LANDLORD:
CITY OF CHINO HILLS

TENANT:
BIG LEAGUE DREAMS
CHINO HILLS, LLC

By:

By:

Ray Marquez, Mayor

Date

Name:

ATTEST:

Title:

Cheryl Balz, City Clerk

Date

APPROVED AS TO FORM:

Mark D. Hensley, City Attorney