

6:08 AM

**AFTER RECORDING,
RETURN TO:**
E. Shannon Johnson
Keizer City Attorney
PO Box 21000
Keizer, OR 97307

FIRST AMENDMENT OF GROUND LEASE

DATE: December 10, 2015

PARTIES:

CITY OF KEIZER,
an Oregon municipal corporation (hereinafter "Lessor")

SALEM-KEIZER SPORTS
ENTERPRISES, L.L.C. (hereinafter "Lessee")

RECITALS:

A. Lessor and Lessee entered into that certain Ground Lease dated January 7, 1997 concerning the real property (the "Premises") consisting of approximately 20 acres as described in Exhibit "A-1" (stadium site) and Exhibit "A-2" (parking lot site) attached hereto and by this reference incorporated herein.

B. The parties wish to amend the Ground Lease by extending the term and making other modifications.

NOW THEREFORE, based on the mutual promises and covenants made herein, the parties agree as follows:

AGREEMENT:

1. Extension of Lease Term. The second paragraph of the Ground Lease is amended as follows:

The Premises are leased for a term (the "Term") of thirty-nine (39) years subject to an option to extend for eight (8) years as set forth in Section 22, commencing on the date of this Lease. Therefore, the Ground Lease shall terminate January 6, 2036, subject to the option to extend noted above.

2. Amendment to the Rent. The following paragraph shall be added to the end of Section 3.2(a), (b), and (c):

The Percentage Rent shall be increased to five and one-half percent (5½%) for all gross ticket receipts received after January 6, 2026, and to six percent (6%) for all gross ticket receipts received after January 6, 2031.

3. Amendment Regarding Use of Overflow Parking. Section 4.3 is amended by the addition of a new subsection (f):

(f) Subsection 4.3(a) provides for use of the parking lot for events on Lessor's public property open space directly north of the parking lot. Notwithstanding subsection 4.3(e) above regarding maintenance, should Lessor develop Lessor's public property open space by constructing structures on such property, Lessor shall contribute for the maintenance and repair of the overflow (gravel) parking lot based on the frequency of use and the size and weight of vehicles used by the respective parties. However, if a party causes damage because of their negligence or abnormal use by them or their guests or users, such party shall repair the damage at their sole expense.

Should Lessee require additional parking for a particular event, Lessor shall make available the public property open space for such parking, unless such space is scheduled for another event. Lessee shall contribute for the maintenance and repair of the area based on the frequency of use and the size and weight of vehicles used by the respective parties. However, if a party causes damage because of their negligence or abnormal use by them or their guests or users, such party shall repair the damage at their sole expense. Lessor shall endeavor to continue to allow Lessee to use the open space for preparation and operation of fireworks displays provided by Lessee, but Lessor reserves the right to discontinue such use if the open space should be developed and generally unavailable for such operation.

4. Amendment to Lease Regarding Community Events Scheduling. Section 4.4(c) is amended as follows:

Lessee shall make available to Lessor on or before the fifteenth day of February each year, separate schedules of confirmed Stadium and parking lot events beginning April first of the same year and continuing for twelve months thereafter. Such schedule shall be termed the "Schedule Period". Within thirty (30) days of receipt of such schedule, City shall submit a list of requested Community Events for the Schedule Period, necessarily avoiding the confirmed events set forth by Lessee.

Notwithstanding the schedules set forth above, Lessor may at any time, whether or not for an event sponsored by Lessor, request use of the Stadium for a date not already committed, provided that such request shall be made at least thirty (30) days in advance. Subject to Sections 4.4(d) and 4.4(e) and the reference to noncompeting events set forth in Section 4.4(b) above, Lessee shall grant such requests.

Notwithstanding the schedules set forth above, Lessor and Lessee may exchange proposed schedules up to two (2) years in advance on the fifteenth day of February each year for proposed Lessee stadium/parking lot events and Lessor proposed Community Events. The parties shall endeavor to allow each other's proposed events, for time periods other than the Northwest League baseball season as defined in subsection 4.4(d) below.

5. Amendment to Lease Regarding Community Events Concessions. Section 4.4(g) is amended as follows:

As appropriate for the particular Community Event, the sponsoring entity may use all public areas of the Stadium, such as concourses, seating areas, restrooms, as well as the playing field and clubhouses not used by Lessee, and an auxiliary ticket booth or booths which shall be provided by Lessee at Lessee's expense. However, such Community Events shall not utilize private areas of the Stadium, including, but not limited to, team offices, press box, sky boxes, novelty and permanent ticket booths, concession stands, the Lessee's clubhouse, batting tunnels, and team equipment rooms. The sponsoring entity may have the use of the scoreboard during community events, however, the scoreboard shall be operated only by a person selected and approved by Lessee and the sponsoring entity shall be required to reimburse Lessee for any and all expense of said scoreboard operator. Lessee's concessions will handle all

concessions for Community Events within the Stadium, and, prior to October 31, 2017, for all Community Events in the Parking Lot. For Community Events in the Parking Lot, after October 31, 2017, the particular sponsoring entity shall choose their concessions vendor. For such events, Lessee's concession vendor's contact information will be provided to the sponsoring entity, however the choice of vendor belongs to the sponsoring entity. If alcoholic beverages are to be served, for Community Events in the Parking Lot after October 31, 2017, the sponsoring entity must provide additional liquor liability endorsement, in the minimum amount of one million dollars (\$1,000,000), naming the Lessor and Lessee as additional insured. There shall not be any allowance for food or beverages to be brought into the Stadium for consumption on the premises.

6. Amendment to Lease Regarding Alcoholic Beverages. Section 4.6(b) is amended as follows:

(b) Alcoholic Beverages. Subject to all applicable laws and regulations, Lessee may serve alcohol in appropriate places within the Stadium and the parking lot. Other than as Lessor may consent in writing, Lessee agrees not to cause, promote, or allow any type of event in which any alcoholic beverages are free or sold at any reduced prices, except for private events such as parties or receptions which are not open to the public; and wine and/or beer festivals, subject to full compliance with all applicable laws and regulations.

7. Full Force and Effect. Except as specifically amended herein, the existing Ground Lease as amended shall continue in full force and effect.

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8. Entire Agreement. This First Amendment to Ground Lease and the Ground Lease dated January 7, 1997 contains the entire agreement between the parties and, except as otherwise provided, can be changed, modified, amended, or terminated only by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Lessee and Lessor that there are no verbal agreements, representations, warranties, or other understandings affecting this First Amendment to Ground Lease and the Ground Lease dated January 7, 1997.

LESSOR:

LESSEE:

CITY OF KEIZER, an Oregon
municipal corporation

SALEM-KEIZER SPORTS
ENTERPRISES, L.L.C.

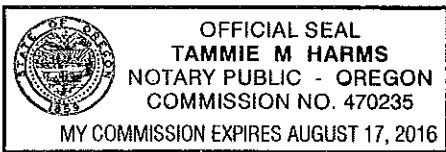
By: [Signature]
Christopher C. Eppley, City Manager

By: [Signature]
Jerry Walker

By: [Signature]
Lisa Walker

STATE OF OREGON)
) ss.
County of Marion)

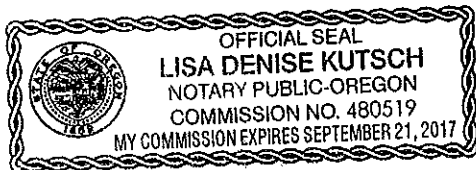
The foregoing instrument was acknowledged before me this 9th day of December, 2015, by Christopher C. Eppley of the City of Keizer, an Oregon municipal corporation, on behalf of the corporation.



Tammie M. Harms
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8-17-16

STATE OF OREGON)
) ss.
County of Marion)

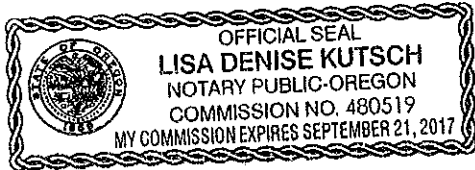
The foregoing instrument was acknowledged before me this 10 day of December, 2015, by Jerry Walker of Salem-Keizer Sports Enterprises, L.L.C., an Oregon limited liability company, on behalf of the company.



[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9-21-17

STATE OF OREGON)
) ss.
County of Marion)

The foregoing instrument was acknowledged before me this 10 day of December, 2015, by Lisa Walker of Salem-Keizer Sports Enterprises, L.L.C., an Oregon limited liability company, on behalf of the company.



[Signature]
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9-21-17

EXHIBIT "A-1"
(Stadium Site)

Beginning at a point on the South line of Section 25, 997.92' East from the quarter section corner on the South boundary of Section 25, in Township 6 South, Range 3 West of the Willamette Meridian, in Marion County, Oregon; Thence North $00^{\circ}02'04''$ East 1048.17' to a point on the West line of tax lot 4100; Thence South $89^{\circ}59'45''$ East 738.04'; said point being the Point of Beginning; Thence South $89^{\circ}59'45''$ East 5.85'; Thence South $74^{\circ}06'22''$ East 495.54' to a point on the East line of tax lot 3900; Thence South $21^{\circ}08'58''$ West 487.24' to a point on the East line of tax lot 3800; Thence North $86^{\circ}47'56''$ West 199.33'; Thence North $80^{\circ}18'41''$ West 219.89'; Thence North $29^{\circ}59'48''$ West 166.97'; Thence North $20^{\circ}19'24''$ East 162.52'; Thence South $69^{\circ}50'56''$ East 5.12'; Thence North $28^{\circ}01'32''$ East 279.54' to the Point of Beginning.

EXHIBIT "A-2"
(Parking Lot Site)

Beginning at a point on the South line of Section 25, 997.92' East from the quarter section corner on the South boundary of Section 25, in Township 6 South, Range 3 West of the Willamette Meridian, in Marion County, Oregon; Thence North $00^{\circ}02'04''$ East 15.00' to a point on the North Right of Way line of Tepper Lane, said point being the Point of Beginning. Thence North $00^{\circ}02'04''$ East 1033.17' to a point on the West line of tax lot 4100; Thence South $89^{\circ}59'45''$ East 738.04'; Thence South $28^{\circ}01'32''$ West 279.54'; Thence North $69^{\circ}50'56''$ West 5.12; Thence South $20^{\circ}19'24''$ West 162.52'; Thence South $29^{\circ}59'48''$ East 166.97'; Thence South $80^{\circ}18'41''$ East 219.89'; Thence South $86^{\circ}47'56''$ East 199.33' to a point on the East line of tax lot 3800; thence South $21^{\circ}08'58''$ West 349.53'; Thence Southwesterly along an 120' radius arc, the chord of which bears South $45^{\circ}20'22''$ West 98.34'; Thence Southwesterly along an 210' arc the chord of which bears South $64^{\circ}03'22''$ West 40.06'; Thence South $85^{\circ}18'13''$ West 132.53'; Thence South $84^{\circ}09'48''$ West 223.58'; Thence North $89^{\circ}22'30''$ West 296.70' to the Point of Beginning.

REEL: 3766

PAGE: 254

December 11, 2015, 10:40 am.

CONTROL #: 399146

State of Oregon
County of Marion

I hereby certify that the attached instrument was received and duly recorded by me in Marion County records:

FEE: \$ 81.00

BILL BURGESS
COUNTY CLERK

THIS IS NOT AN INVOICE.