

**MUNICIPIO DE LA CIUDAD CAPITAL
SAN JUAN BAUTISTA¹**

**RESOLUCIÓN NUM. 113
SERIE 2003-2004
(P. de R. Núm. 118, Serie 2003-2004)**

APROBADA:

2 DE ABRIL DE 2004

RESOLUCION

PARA APROBAR UN CONTRATO DE CESION ENTRE EL MUNICIPIO DE SAN JUAN Y MB SPORTS, INC., A FIN DE PERMITIR LA CELEBRACION DE VARIOS JUEGOS DE BÉISBOL DE LAS LIGAS MAYORES EN LAS FACILIDADES DEL ESTADIO HIRAM BITHORN; APROBAR UN AUSPICIO PARA EL REFERIDO EVENTO; Y PARA OTROS FINES.

POR CUANTO: El Municipio de San Juan es dueño en pleno dominio del Complejo Deportivo, localizado en Hato Rey, Puerto Rico, compuesto por las instalaciones deportivas del Coliseo Roberto Clemente y del Estadio Hiram Bithorn, y sus áreas adyacentes. Instalaciones operadas y administradas por la Oficina de Empresas Municipales del Departamento de Desarrollo Económico, Turismo y Vivienda del Municipio de San Juan, en el que se llevan a cabo un sinnúmero de actividades y eventos de índole, cultural, deportivos, artísticos, cívicos, entre otros, durante toda época del año. Dichas facilidades constituyen el centro de actividades múltiples más importante y visitado en Puerto Rico;

POR CUANTO: El Deporte representa un medio de confraternización, desarrollo y crecimiento tanto para jóvenes, adultos y el pueblo en general;

POR CUANTO: La Administración actual del Municipio de San Juan está comprometida con el desarrollo del deporte y con facilitar la celebración de actividades que fomenten la confraternización entre todos los puertorriqueños. Además, es importante fomentar la participación de la juventud en el deporte y proveer a la Ciudad Capital y a toda su ciudadanía de espectáculos de sano entretenimiento y de calidad;

POR CUANTO: El deporte de Béisbol es uno de los deportes más vistos en todo el mundo y el deporte que más espectadores atrae en toda la Nación, especialmente cuando se trata de las Ligas Mayores. Cientos de latinoamericanos participan del referido deporte y un gran número de ellos, de origen puertorriqueño, se destacan en los equipos tanto de la Liga Nacional como de la Liga Americana;

POR CUANTO: El Municipio de San Juan tuvo la oportunidad de ser sede, en sus facilidades deportivas del Estadio Hiram Bithorn, de 22 Juegos de la Temporada Regular de 2003 del Béisbol de las Ligas Mayores;

¹ Estado Libre Asociado de Puerto Rico.

POR CUANTO: La presentación de los juegos contó con la asistencia de miles de espectadores que acudieron a presenciar un espectáculo deportivo de categoría municipal. El evento fue todo un éxito;

POR CUANTO: Se presenta nuevamente la oportunidad de presentar en la isla una serie de juegos de Béisbol de las Ligas Mayores que, al igual que en la primera ocasión, agrupará varios de los mejores jugadores de ese deporte. Esto representa otra magnífica oportunidad para que la ciudadanía disfrute de sus estrellas y sea espectador de un evento que de otra forma, muy pocas personas tendrían la oportunidad de presenciar;

POR CUANTO: La Administración del señor Alcalde, Hon. Jorge A. Santini Padilla, ha llevado a cabo gestiones conducentes a que el Equipo de Grandes Ligas Expos de Montreal celebre esta temporada sus juegos como anfitrión en las facilidades deportivas del Estadio Hiram Bithorn;

POR CUANTO: Aunque múltiples ciudades de primer calibre se disputaban la sede de los juegos como anfitrión de los Expos de Montreal, San Juan la logró, habiendo sido exitosa en sus gestiones, que incluyeron la negociación de múltiples asuntos en los que estuvieron involucradas innumerables partes, pues la celebración de dicha serie conlleva inclusive, su transmisión global por radio y televisión. Además, permitirá la confraternización entre todos los conciudadanos y desarrollará el interés por el deporte en miles de fanáticos, locales y turistas, que se darán cita durante la serie;

POR CUANTO: El hecho de que el Equipo de Béisbol de Grandes Ligas Expos de Montreal, celebre esta temporada sus juegos como anfitrión en las facilidades deportivas del Estadio Hiram Bithorn, reviste de un gran interés público, ya que:

- a) Los residentes de la Ciudad Capital, así como el resto de la isla, tendrán la oportunidad única de presenciar en vivo Juegos de Béisbol de la mejor calidad;
- b) Once mil (11,000) entradas (no menos de 200 por juego) estarán disponibles gratuitamente para el uso de residentes de la Ciudad de bajos recursos económicos;
- c) Los fanáticos del béisbol tendrán la oportunidad de ver de cerca a los mejores jugadores de dicho deporte que, hasta el presente, sólo han podido presenciar a través de imágenes, y el acuerdo asegura la participación de jugadores en las clínicas de béisbol para niños del Municipio;
- d) Se trata de un evento de primera clase único y distinto que inyectará ambiente positivo y sano a la Ciudad Capital y al resto de la Isla y que fomentará el deporte en los ciudadanos;
- e) San Juan estará expuesta mundialmente como ciudad capaz y hábil de ser sede de eventos de gran magnitud y así estará evidenciado en el estadio, mediante pancarta;
- f) Tanto San Juan como la industria turística y demás negocios de servicio, se beneficiarán del impacto económico que los juegos tendrán localmente; y
- g) La Ciudad de San Juan, como sede deportiva y turística, estará expuesta al mundo a través de la transmisión global del evento por televisión y radio;

POR CUANTO: Como parte de las negociaciones, el Municipio de San Juan, permitirá el uso del Estadio Hiram Bithorn para la celebración de los juegos y otorgará, en calidad de auspicio, la cantidad de hasta un millón de dólares (\$1,000,000.00), para cubrir parte de los gastos del evento;

POR CUANTO: La Ley Núm. 81 de 30 de agosto de 1991, según enmendada, conocida como "Ley de Municipios Autónomos del Estado Libre Asociado de Puerto Rico de 1991", otorga a los municipios los poderes necesarios y convenientes para ejercer todas las facultades correspondientes a un gobierno local y lograr sus fines y funciones, entre ellos el de poseer y administrar bienes muebles e inmuebles y arrendarlos de conformidad con la ley;

POR CUANTO: El Artículo 2.001(k) de la referida Ley, faculta además, a proveer los fondos necesarios para el pago de sueldos de funcionarios y empleados para sufragar los gastos, las obligaciones y contratos de funcionamiento del municipio incurridos, o que hayan de incurrirse o contraerse por concepto de servicios, obras y mejoras del municipio, o para el fomento de éste, excepto que de otro modo se disponga por ley, además de adquirir y habilitar los terrenos y propiedades para cualquier clase de obra pública y construir, mejorar, reparar, reconstruir y rehabilitar facilidades de cualquier clase, tipo o naturaleza para cualquier fin público autorizado por Ley;

POR CUANTO: El Artículo 9.005 de la Ley de Municipios Autónomos, antes citada, faculta a los municipios a permutar, gravar, arrendar, vender o ceder cualquier propiedad municipal previa aprobación por la Legislatura Municipal mediante ordenanza o resolución a tales efectos;

POR CUANTO: Los factores de interés público desglosados anteriormente hacen prudente permitir el uso del Estadio e invertir en el auspicio de los Juegos de los Expos de Montreal como anfitrión, especialmente cuando convertir a la Ciudad Capital en la sede de éstos durante la temporada, cumple con los propósitos de proyección que precisa la Ciudad de San Juan Bautista como el destino artístico, cultural, cívico, turístico y en especial, deportivo del país.

POR TANTO: RESUELVASE POR LA LEGISLATURA MUNICIPAL DE SAN JUAN, PUERTO RICO:

Sección 1ra.: Aprobar un contrato de cesión entre el Municipio de San Juan y MB Sports, Inc., copia del cual se acompaña y se hace formar parte de esta Resolución, con el propósito de permitir la celebración de los juegos como anfitrión del Equipo de Béisbol Expos de Montreal de las Ligas Mayores, en las facilidades del Estadio Hiram Bithorn, según se establece en dicho contrato.

Sección 2da.: Autorizar al Municipio de San Juan, por medio de su Alcalde o el funcionario en quien éste delegue, a suscribir el contrato al que se hace referencia en la Sección Primera (1ra.) de esta Resolución.

Sección 3ra.: Autorizar, en consideración al gran interés público que conlleva la celebración de los referidos juegos en las facilidades deportivas del Estadio Hiram Bithorn, la inversión, en calidad de auspicio, de hasta un millón de dólares (\$1,000,000.00), que serán utilizados para cubrir parte de los gastos de los juegos. Dicha cantidad, que será entregada a MB Sports, Inc., provendrán de las Partidas del Departamento de Desarrollo Económico, Turismo y Vivienda que a esos efectos identifique el Director de la Oficina de Presupuesto y Evaluación de Servicios Municipales.

Sección 4ta.: Cualquier Ordenanza, Resolución u Orden, que en todo o en parte resultare incompatible con la presente, queda por ésta derogada hasta donde existiere tal incompatibilidad.

Sección 5ta.: Si cualquier parte, párrafo o sección de esta Resolución fuese declarada nula o inválida por un Tribunal con jurisdicción y competencia, la sentencia dictada a tal efecto sólo afectará aquella parte, párrafo o sección cuya nulidad o invalidez haya sido declarada.

Sección 6ta.: Esta Resolución comenzará a regir inmediatamente después de su aprobación.

Angeles A. Mendoza Tió
Presidenta

YO, CARMEN M. QUIÑONES, SECRETARIA DE LA LEGISLATURA MUNICIPAL DE SAN JUAN, PUERTO RICO:

CERTIFICO: Que la precedente es el texto original del Proyecto de Resolución Número 118, Serie 2003-2004, aprobado por la Legislatura Municipal de San Juan, Puerto Rico, en la Continuación de la Sesión Extraordinaria, celebrada el día 31 de marzo de 2004, con los votos afirmativos de los Legisladores Municipales; las señoras Dinary Camacho Sierra, Linda A. Gregory Santiago, Nilda Jiménez Colls, Claribel Martínez Marmolejos, Ivette Otero Echandi, Paulita Pagán Crespo, Elba A. Vallés Pérez, Migdalia Viera Torres; y los señores Roberto Acevedo Borrero, José A. Dumas Febres, Rafael R. Luzardo Mejías, Manuel E. Mena Berdecía y Ramón Miranda Marzán; y la Presidenta, señora Angeles A. Mendoza Tió.

CERTIFICO, ADEMAS, que todos los Legisladores Municipales fueron debidamente citados para la referida Sesión, en la forma que determina la Ley.

Y PARA QUE ASI CONSTE, y a los fines procedentes, expido la presente y hago estampar en las veinte y seis páginas de que consta la misma, el Gran Sello Oficial del Municipio de San Juan, Puerto Rico, el día 1ro. de abril de 2004.

Carmen M. Quiñones
Secretaria
Legislatura Municipal de San Juan

Aprobada:

____ de _____ de 2004

Jorge A. Santini Padilla
Alcalde

**COMMONWEALTH OF PUERTO RICO
MUNICIPALITY OF SAN JUAN
ECONOMIC DEVELOPMENT,
TOURISM AND HOUSING DEPARTMENT
MUNICIPALITY ENTERPRISES**

STADIUM LEASE AGREEMENT

This Stadium Lease Agreement (this "Agreement"), entered into this ___th day of March, 2004 by and between THE MUNICIPALITY OF SAN JUAN (hereinafter referred to as the "Municipio") pursuant to Public Act No. 81 of August 30, 1991, as amended, known as "The Autonomous Municipal Act", social security number 660-427034, herein represented by its Legal Director, Elsie L. Prieto Ferrer, Esq., of legal age, single and resident of Bayamon, Puerto Rico, as authorized by the Mayor's Executive Order **[JS-075]**, Series 2001-2002, and MB Sports, Inc., with offices located at 1000 Progreso Street, Stop 20, Santurce, San Juan, Puerto Rico (hereinafter referred to as "MB Sports"), SS No. 660-620013, represented by Antonio J. Muñoz Bermúdez, Chairman, of legal age, married, and resident of San Juan, Puerto Rico.

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RECITALS

WHEREAS, MB Sports represents and warrants to Municipio that it has entered into an agreement with Baseball Expos, L.P. ("BELP") which provides for the Montreal Expos to play 22 games of the Major League Baseball 2004 regular season (each, a "Game" and, collectively, the "Games") in San Juan, Puerto Rico, as "Home" team.

WHEREAS, in order to be able to conduct the Games in San Juan, Puerto Rico, MB Sports desires to lease the Hiram Bithorn Stadium (including, without limitation, the playing field, dugouts, clubhouses, press box, press room, VIP tents, spectator seating areas, and the grounds and walkways immediately surrounding it, the "Stadium") from Municipio and Municipio desires to lease the Stadium to MB Sports all on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements contained herein, the parties hereto do hereby represent, warrant, covenant and agree as follows:

AGREEMENT

1. **Term.** The term of this Agreement shall commence on the date hereof and shall expire at the end of the Use Period (as defined below). Except as provided in Section 12 below, the parties shall have no further obligations to each other hereunder following the expiration or termination of this Agreement.

2. **Exclusive Use of Stadium.** Subject to the provisions of this Agreement, during the period commencing on March 25th, 2004 and ending the day after the final Game (the "Use Period"), MB Sports and BELP shall have the exclusive right to use and occupy all parts of the Stadium, the Pedrin Zorrilla Coliseum (as agreed upon by MB Sports and Municipio and in any event for use consistent with that given to the Pedrin Zorrilla Coliseum during the 2003 Expos games) and the grounds and walkways

surrounding the Stadium for the purpose of preparing for, promoting and conducting the Games and related activities (including hospitality and retail activities). Municipio shall, at its sole cost and expense, provide MB Sports, BELP and their respective representatives with access to a secured storage area at the Stadium commencing on the date hereof and ending on the final date of the Use Period. In furtherance of the foregoing, Municipio shall not, and shall not permit any other party to conduct or sponsor any other event or activity inside the Stadium, the Pedrin Zorrilla Coliseum and the grounds and walkways surrounding the Stadium (except for the public library named "Estudia Conmigo" located in the parking area of the Stadium adjacent to Roosevelt Avenue) during the following dates: from April 7 to April 16, from May 16 to May 24 and from June 30 to July 12. Except as provided in the immediately preceding sentence, Municipio shall be entitled to conduct or sponsor other events or activities inside the Stadium, the Pedrin Zorrilla Coliseum and the grounds and walkways surrounding the Stadium during the Use Period (the "Non-Expos Events") provided that Municipio shall not, or permit any other person to, use (i) the concessions at the Stadium without the prior written consent of MB Sports, (ii) the clubhouses or (iii) the umpires' room, in each case during the Non-Expos Events. Municipio agrees that it shall at its sole cost and expense make any repairs to the Stadium that may be necessary following any Non-Expos Event to return the Stadium to Major League standards to the reasonable satisfaction of MB Sports and BELP.

3. **Rental Fees; Tickets.** In consideration of the rights granted to MB Sports pursuant to Section 2 of this Agreement, MB Sports agrees to provide to Municipio at no cost twenty (20) field boxes, twenty-five (25) "Palco C" box seats and two (2) skyboxes (the numbered as 13 and 14) for each Game. As additional consideration, MB Sports agrees to provide Municipio at no cost an aggregate amount of eleven thousand (11,000) bleacher seats for the Games; provided that MB Sports shall be under no obligation to provide Municipio with any specific number of bleacher seats for any particular Game so long as the number of bleacher seats per Game shall not be less than two hundred (200) and the aggregate number of bleacher seats delivered to Municipio throughout the 22 Games equals eleven thousand (except that the aggregate number of bleacher seats would be subject to pro-rata reduction for any number of Games that are cancelled due to force majeure type events). Furthermore, Municipio shall be entitled to install a sponsorship announcement in the Stadium at the location where the scoreboard being replaced is currently located, which announcement shall be of municipality public interest. The form, size, text and graphics of such announcement shall be submitted to MB Sports for approval no later than March 10, 2004. MB Sports shall also use its commercially reasonable best efforts to secure the attendance of Major League Baseball players participating in the Games to baseball clinics for children hosted by Municipio on dates, times and terms to be agreed upon by the parties hereto and subject to the Major League Baseball players schedule and availability. In addition, Municipio shall be entitled to host "fan fests" before the Games outside of the Stadium on dates, times and terms to be agreed upon by the parties hereto; provided, that such "fan fests" shall not be conducted in a manner that could be reasonably expected by MB Sports to conflict with any sponsorship arrangements entered into by BELP and/or MB Sports in connection with the Games.

4. **Stadium Improvements; Inspections of Stadium.**

BELP and its representatives conducted a physical inspection of the Stadium in December 2003. BELP provided to MB Sports a list of required improvements or modifications to the Stadium, a copy of which is attached hereto as Exhibit A (the

improvements and modifications described in Exhibit A hereto shall be collectively referred to herein as the "Improvements"). Municipio shall, at its sole cost and expense, complete each of the Improvements to the Stadium no later than March 25, 2004. All Improvements must be completed in accordance with Major League standards to the reasonable satisfaction of MB Sports, BERP, and the Major League Baseball Players Association ("MLBPA") in their sole and absolute discretion. Municipio shall be solely responsible for making all arrangements necessary to ensure that the Improvements are completed no later than March 25, 2004. Municipio shall keep MB Sports regularly and fully informed of the progress being made in completing the Improvements. MB Sports shall have the right to conduct periodic subsequent inspections of the Stadium and the progress of the Improvements, together with BERP and/or the MLBPA. The parties shall schedule a walk-through of the Stadium no later than March 25, 2004 for the purpose of reviewing the Improvements.

5. **Series Revenue.** MB Sports shall be entitled to all revenues generated at the Stadium or on the Stadium grounds in connection with the Games, including without limitation, revenues from the sale of tickets, concessions, advertising, broadcast rights and sponsorship activities; provided, however that Municipio shall be entitled to retain all revenues generated by the Stadium's parking lot operation and by the Library under the existing agreement with Municipio. The parking lot at the Stadium may not be used for activities or events at the Roberto Clemente Coliseum on the dates Games are played.

6. **Advertising and Sponsorship Rights.**

a. Notwithstanding any preexisting arrangements that Municipio and/or MB Sports may be a party to, all advertising at the Stadium during the Use Period and all sponsorship arrangements with respect to the Games shall be subject to (i) any existing sponsorship agreements that MLB or BERP is a party to as of the date hereof and (ii) approval of BERP. Without limiting the scope of such approval rights of BERP, each of MB Sports and Municipio agrees that it shall not (1) contract with

any tobacco related sponsors in connection with the Games or (2) permit any tobacco related advertising at the Stadium during the Use Period.

b. Subject to the provisions of Section 6(a), MB Sports shall have the exclusive and unrestricted right to (i) sell all advertising to be displayed inside, on or surrounding the Stadium (including on the scoreboard) during the Use Period and (ii) grant all pouring and concession rights (including without limitation beer and soft drinks) at the Stadium during the Use Period. In order to allow MB Sports to display the advertisements and signage of MB Sports and/or its sponsors during the Use Period, MB Sports shall have the right, at its sole cost and expense, to cover or remove during the Use Period all regular Stadium signage in the Stadium. After the Use Period, MB Sports shall be responsible, at its sole cost and expense, for covering or removing all Stadium signage set up by MB Sports for the Games.

7. Broadcasting Rights.

a. MB Sports and its sublicensee(s) shall have the sole and exclusive right to record each Game telecast and radio feed transmission in their entirety (including without limitation, announcer commentary), by means of such method of recording video and audio material (e.g. tape, wire or other), whether now known or hereafter developed, to ensure audio and video recordings of broadcast quality. All such recordings shall be the sole and exclusive property of MB Sports and/or BELP.

b. MB Sports shall have the sole and exclusive right to sublicense its rights to transmit telecast feeds of the Games via over-the-air television and radio transmission on a live basis within Puerto Rico to one or more third party over-the-air and radio broadcasters.

c. Notwithstanding any other provision of this Agreement, MB Sports and/or BELP shall, both during and following the term of this Agreement, own all worldwide copyright and other rights, title and interests in the (i) Games (ii) Game telecasts (iii) Game telecasts feeds (including, without imitation, excerpts thereof and all feeds recorded in connection with the production thereof), and (iv) all other accounts, descriptions of, and other information concerning, the Games (items (i) through (iv) are collectively referred to herein as the "Property"). Without limiting the generality of the foregoing, MB Sports and/or BELP shall have (x) all rights under the U.S. Copyright Act and Communications Act, applicable U.S. state laws, all copyright and other laws of other jurisdictions and nations, international treaties, now or hereafter in effect, with respect to the Property and (y) the right to receive all royalties or any other amounts paid under copyright or other laws of the United States, Canada and other jurisdictions with respect to the retransmission of the Property.

d. Municipio shall not either (i) record or transmit, via any medium, all or any part of the Games or any programming before and after each Game or (ii) otherwise take any other action which is inconsistent with the terms and conditions of this Section.

8. **Game Promotion; Media Credentials.** Any promotional activities planned by Municipio which are related to the Games shall be coordinated with MB Sports and be

subject to MB Sports prior written approval, which approval shall not be unreasonably withheld. Such promotional efforts of Municipio may include, without limitation, press conferences coordinated with MB Sports and placement of signage in San Juan and media promotion (e.g. inclusion in city event publications) at the sole cost and expense of Municipio. MB Sports shall control the issuance of media credentials for the Games in its sole and absolute discretion.

9. **Parties Responsibilities.**

a. Municipio shall be responsible for providing the following services, equipment, facilities and personnel, at its sole cost and expense, during the Use Period, in each case, in accordance with Major League standards, in each case as determined by MB Sports and BELP in their sole and absolute discretion:

- i. all necessary equipment, facilities, utilities (including, but not limited to, water, primary and back-up sources of electricity and telephone service; provided that Municipio's responsibility related to telephone service shall be limited to installation of the required telephone lines and Promoter shall be responsible for all costs related to local and long distance telephone service and shall be entitled to select the telephone service provider for the Games) and personnel for all day-of-game Stadium operations, including without limitation, parking, grounds crew, field maintenance and protection items, Stadium maintenance, police personnel and equipment, concessions (excluding personnel), space for emergency medical facilities and clubhouse. Municipio shall be responsible for ensuring that the playing field, field wall pads, bullpens, photographers' booths, broadcast booth, batting tunnels, fences and warning track at the Stadium are maintained during each Game;
- ii. the clubhouse services, equipment and items as specified in Exhibit B attached hereto and incorporated herein by reference;
- iii. the facilities and items for the umpires dressing room as specified in Exhibit C attached hereto and incorporated herein by reference; and

b. Municipio shall establish a comprehensive security and traffic plan, in consultation and cooperation with MB Sports, BELP, the Office of the Commissioner of Baseball and the MLBPA, the objective of which is to ensure the safety of the Major League Baseball players, coaches and personnel (collectively, the "MLB Personnel") from the moment of their arrival in San Juan until the time of their departure and the safety of Game attendees. Such plan shall include, but not be limited to (i) police escorts for team buses in San Juan and (ii) security at any hotel in San Juan at which MLB Personnel are staying. MB Sports' obligations under this Agreement shall be contingent upon Municipio, at its sole cost and expense, (a) deploying such resources as are specified in such plan, (b) coordinating with the Commonwealth police authorities in Puerto Rico and (c) cooperating fully with MB Sports, BELP and the Office of the Commissioner of Baseball in implementing such plan. Municipio shall provide MB Sports with a draft security plan by no later than February 17, 2004 which security plan shall be no less comprehensive than the security plan for the Major League Baseball games held in San Juan, Puerto Rico during 2003.

- c. Municipio covenants that the Stadium will be free and clear of any existing tobacco related advertising and sponsor obligations during the Use Period.
- d. MB Sports shall provide at its sole cost private security, inside the Stadium before, during and after each Game to ensure the safety of the Major League Baseball players, coaches and personnel and the Game attendees.
- e. MB Sports shall secure emergency medical services for the Games by contract with the Emergency Medical Services and/or another private entity that provides such services.
- f. MB Sports shall use, or cause to be used, the Stadium in accordance with the terms and conditions of this Agreement.
- g. No later than March 25, 2004, MB Sports shall provide Municipio with all-access credentials for the persons listed in Part I of Exhibit E hereto and with restricted-access credentials for the persons listed in Part II of Exhibit E hereto.

10. **Representations and Warranties.**

- a. Municipio represents and warrants to MB Sports that:
 - i. It is the sole owner of the Stadium and that it has the full power and authority to enter into this Agreement and to grant to MB Sports the rights, licenses, exclusivities and privileges granted hereunder, including, without limitation, the exclusive right to use the Stadium during the Use Period.
 - ii. This Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally).
 - iii. It has not made nor will it make any contractual or other commitment nor do any act that conflicts with or will prevent full performance of its duties and obligations hereunder.
 - iv. The Stadium shall be free and clear of any existing advertising, sponsor or concession related obligations during the Use Period.
- b. MB Sports represents and warrants to Municipio that:
 - i. As of the date of this Agreement, it has no income tax or municipal tax liability with the Commonwealth of Puerto Rico or any of its political subdivisions.

- ii. This Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with its terms (subject, as to enforcement of remedies, to applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights generally).
- iii. As of the date of this Agreement, its officers have not served as assembly members, officially-appointed executives of Municipio or employees of Municipio within the last two years.
- iv. To the best of its knowledge, no employee of Municipio has an undisclosed direct or indirect pecuniary interest in this Agreement.
- v. It has the full power and authority to enter into this Agreement and to fulfill its obligations hereunder, including the right to stage the Games at the Stadium in 2004.

11. **Termination.** If either party hereto materially breaches this Agreement, the non-breaching party shall be entitled to terminate this Agreement, in its sole discretion, if such non-breaching party delivers a notice of such material breach to the breaching party and the breaching party fails to cure such material breach within ten business days from receipt of such notice or, if the material breach cannot be cured within ten business days, the breaching party fails to commence to take action to cure such material breach within the ten business day period and thereafter diligently continues to take such action as is necessary to cure such material breach.

12. **Indemnification.**

- a. Municipio shall indemnify, defend and hold harmless MB Sports, the Office of the Commissioner of Baseball, the American League of Professional Baseball Clubs, The National League of Professional Baseball Clubs, the Major League Clubs, Major League Baseball Properties, Inc., Major League Baseball Properties Canada, Inc., Major League Baseball Enterprises, Inc., BELP, their affiliated entities (including without limitation, all partially or wholly owned subsidiaries, whether now existing or formed after the date hereof) and their respective owners (direct or indirect), shareholders, directors, officers, employees, agents, representatives, heirs, successors and assigns (collectively, the "Indemnified Parties") from and against any and all demands, suits, claims, obligations, liabilities, actions, proceedings, judgments, decrees, damages, costs and expenses (including reasonable attorney's fees and reimbursements) incurred by any of the Indemnified Parties and arising out of or in any way related, directly or indirectly, to (a) any acts or omissions of Municipio, its agents, representatives and employees or (b) any breach by Municipio of any of the terms, conditions, representations or warranties of this Agreement. Such indemnification obligation shall survive the expiration or termination of this Agreement.

- b. MB Sports shall indemnify, defend and hold harmless Municipio, its agents, officers, employees, successors, assigns and elected officials (collectively, the "Municipio Parties") from and against any and all demands, suits, claims, obligations, liabilities, actions, proceedings, judgments, decrees, damages, costs and expenses (including reasonable attorney's fees and reimbursements) incurred by any of the Municipio Parties and arising out of or in any way related, directly, to (a) any acts or omissions of MB Sports or its agents, representatives and employees or (b) any breach by MB Sports of any of the terms, conditions, representations or warranties of this Agreement. Such indemnification obligation shall survive the expiration or termination of this Agreement.

13. **Insurance.** Municipio shall have in effect the following insurance coverage with insurance carriers acceptable to MB Sports in its sole discretion:

- a. An occurrence-based commercial general liability and/or umbrella or excess liability insurance policy acting as primary insurance insuring Municipio and including the MB Sports and the entities listed in Exhibit D hereto (together with MB Sports, the "MLB Entities") as additional insureds in an amount of not less than US\$25 million per occurrence.
- b. Builder's Risk Insurance insuring Municipio and including the MLB Entities as additional insureds with limits equal to the projected cost of the Improvements. Such policy shall contain a waiver of subrogation in favor of the MLB Entities.
- c. All-Risk Property Insurance insuring Municipio and including the MLB Entities as additional insureds with limits equal to the replacement cost value of the Improvements, once the Improvements are completed. Such policy shall contain a waiver of subrogation in favor of the MLB Entities.
- d. Commercial Crime Insurance, including (i) employee dishonesty coverage and (ii) money and security coverage, in each case, insuring Municipio and including the MLB Entities as additional insureds with worldwide coverage and minimum limits of \$10,000,000 per occurrence and \$10,000,000 general aggregate.

Municipio shall furnish to MB Sports, by no later than March 15, 2004, copies of such policies naming the MLB Entities as additional insureds.

14. **Force Majeure.** If the playing of any Game at the Stadium is delayed or prevented in whole or in part by any cause not reasonably within its control (including, without limitation, acts of God, inclement weather, civil disturbances, accidents, labor disputes, acts of any governmental body, or delay of third parties), each party shall be excused, discharged and released of its performance obligations under this Agreement with respect to such Game without liability of any kind to the other party.

15. Joint Venture/Partnership Disclaimer. This Agreement shall not create a joint venture, partnership, principal-agent, employer-employee or similar relationship between the parties hereto.

16. Assignment. This Agreement may not be assigned by any party without the prior written consent of the other parties. However, upon giving prior notice to Municipio, MB Sports may assign this Agreement to any of the Indemnified Parties without the consent of Municipio.

17. **Compliance with Laws, Rules and Regulations.** Each party shall comply with all applicable local, regional and national tax laws and other laws, rules and regulations, including laws related to health, fire and safety requirements.

18. **No Waiver; Remedies.** The failure of any party to seek redress for any violation of, or to insist upon the strict performance of, any term of this Agreement shall not constitute a waiver of such rights or in any way limit or prevent the subsequent enforcement of any such term. All waivers must be made in writing. Any waiver of a right or remedy pertaining to this Agreement shall not be deemed to be a waiver of any other right or remedy. The various rights and remedies of either party contained herein shall not be considered exclusive of, but shall be considered cumulative to, any rights or remedies now or hereafter existing at law, in equity or by statute or regulation. Without limiting the generality of the foregoing, Municipio agrees and acknowledges that MB Sports, BELP and MLB shall have the right to seek specific performance of Municipio's obligation to provide MB Sports with the exclusive use of the Stadium in accordance with the terms hereof.

19. **Governing Law.** This Agreement shall be governed by and construed according to the laws of the Commonwealth of Puerto Rico, without regard to conflict of laws principles.

20. **Municipal Legislature Approval.** The terms and conditions of this Agreement are subject to the approval of the Municipal Legislature of San Juan.

21. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement and supersedes any and all previous arrangements among the parties, whether oral or written with respect to such subject matter. No waiver or modification of this Agreement or of any representation, warranty or limitation contained herein shall be valid unless in writing and duly executed by the parties.

22. **Notices.** a. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including telecopier communication) and shall be (as elected by the person giving notice) hand delivered by messenger or courier service (including overnight delivery), telecopied or mailed by registered or certified mail (postage prepaid), return receipt requested, addressed to:

If to MB Sports, at:

P.O. Box 363148
San Juan, Puerto Rico 00936

Attention: Antonio Muñoz
Telecopier number: 787-729-0034

with a copy to:

McConnell Valdés
270 Muñoz Rivera Avenue

Hato Rey, Puerto Rico 00918

Attention: Harry O. Cook, Esq.
Telecopier number: 787-759-9225

If to Municipio, at:

P.O. Box 70179
San Juan, Puerto Rico 00902

Attention: CPA Diego J. Robles Cordero
Telecopier number: 787-721-6705

with a copy to:

Legal Division
P.O. Box 9024100
San Juan, Puerto Rico 00902-4100

Attention: Elsie Prieto Ferrer, Esq.
Telecopier number: 787-722-5930

b. Each such notice shall be deemed delivered and received (i) on the date delivered if by personal delivery or courier, (ii) on the date of transmission with confirmed answer back if by telecopier, and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

23. **Miscellaneous.**

a. MB Sports shall maintain confidentiality about all Municipio information that it might learn as a result of this Agreement and guarantees that it will request prior written authorization from Municipio before revealing any of such information.

b. MB Sports shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age or national origin. MB Sports shall take affirmative action to ensure that applicants are employed, and employees are treated during employment without discrimination to race, color, religion, sex, age or national origin.

c. MB Sports shall comply with all applicable federal, state and municipal laws, rules and regulations, including but not limited to the Americans With Disabilities Act.

d. Notwithstanding any provision of this Agreement, Municipio, prior a ten (10) days notice, may terminate or suspend this Agreement at its discretion, require the specific fulfillment of the obligation and/or demand for damages, if applicable, upon the happening of any of the following:

i. The violation by MB Sports of any of the terms or conditions of this Agreement or of any applicable laws and regulations.

- ii. The failure of MB Sports to satisfy its obligations hereunder within due time.
- iii. Negligence by MB Sports in the performance of its obligations under this Agreement.

e. MB Sports certifies that it is not a relative of Municipio's Mayor, the President or Secretary of Municipio's Municipal Legislature, any official appointed by the Mayor which requires confirmation by Municipio's Municipal Legislature, any director or head of a Municipio division, office, program, project, society or consortium to which Municipio is a member, which submits to the Mayor or the President of Municipio's Municipal Legislature recommendations about agreements of the type of this Agreement entered into by Municipio. Should MB Sports be a relative of Municipio's Mayor, the President or Secretary of Municipio's Municipal Legislature or of any director or official of any municipal division, it shall give notice thereof, so that the Human Resources Office may take the pertinent provisions.

f. MB Sports agrees to indemnify and hold harmless Municipio, its directors, officers, agents, employees and/or representatives from and against any and all claims, lawsuits, causes of action, losses, expenses or liabilities, including reasonable attorney's fees, on account of injury or death of any person or loss or damage to any and all property, arising, directly or indirectly, from the acts or omissions of MB Sports or any of its directors, officers, agents, employees and/or representatives, during the operation or execution of this Agreement.

g. MB Sports warrants that it is an independent employer. MB Sports agrees to pay to the Social Security Administration and the State Insurance Fund premiums and whatever other policies required by law. All payments made by virtue of this Agreement could be subject to income tax withholding as required by Section 143C of the Income Tax Law of 1954 as amended. Municipio will consider any release issued by the Treasury Department, which will become part of this Agreement.

h. MB Sports certifies, that, as of the effective date of this Agreement, it has complied with the following, when applicable:

It has filed all income tax returns and municipal franchise taxes in Puerto Rico during the last five (5) years and the current.

No such taxes are due and assessed for said years by MB Sports.

No property tax returns are due to the Municipal Revenue Center ("CRIM") by MB Sports.

No amount is due to ASUME by MB Sports.

No amount is due to the Puerto Rico Labor Department by MB Sports.

No amount is due to the Puerto Rico State Insurance Fund by MB Sports.

MB Sports certifies that it is not indebted in any sense to the Commonwealth of Puerto Rico or Municipio, or if indebted has a repayment plan which is up to date.

MB Sports acknowledges, that this certification is an essential condition of this Agreement and, if it is not completely or partially accurate, Municipio may terminate or suspend this Agreement and MB Sports will reimburse to Municipio all compensation received by it as a result of this Agreement.

During the period to be covered by this Agreement, MB Sports shall have no interest, direct or indirect, with respect of Municipio, which may constitute a conflict of interest. Conflict of interest could constitute, but is not limited to a family relationship with officials of Municipio.

If any provision in this Agreement or the application thereof shall to any extent be invalid, illegal or otherwise unenforceable, the remainder of the Agreement and the application of its provisions, other than to the extent determined to be invalid, illegal or unenforceable shall not be affected thereby; and such provisions in this Agreement shall be valid and enforceable to the fullest extent permitted by law.

According to the laws and rules that regulate governmental contracts, both parties acknowledge that no service can be rendered or obligation satisfied, nor will this Agreement be effective until it is signed by all the parties involved. The same will apply with the expiration date. No payment will be made if it is not in accordance with the aforesaid.

The parties hereto agree that any action related to this Agreement shall be resolved solely in San Juan, Puerto Rico and the parties irrevocably submit to the jurisdiction of its state and federal courts.

This Agreement shall bind MB Sports and Municipio, and their successors, heirs, assigns, administrators of estate, agents, or executors as the case may be.

MB Sports certifies that it does not receive compensation for any regular services rendered pursuant to appointment to any other government entity, agency, bureau, public corporation or municipality.

MB Sports certifies to the best of its knowledge that no senior official, officer or employee of Municipio has a direct or indirect pecuniary interest in this Agreement or participation in the benefits thereof, nor has it been an employee or assemblyman of Municipio during the (2) years prior to the execution of this Agreement. Further, MB Sports certifies that at present it is not an assemblyman, officer or employee of Municipio, nor is it an officer or employee of the Commonwealth of Puerto Rico or any of its agencies, subdivisions or public corporations.

In witness whereof, the parties have executed this Agreement as of the date first written above.

MUNICIPIO DE SAN JUAN

MB SPORTS, INC.

By: _____
 Name: Elsie L. Prieto Ferrer, Esq.
 Title: Legal Department Director

By: _____
 Name: Antonio Muñoz

Title: President

Exhibit A
Improvements
Hiram Bithorn Stadium

Playing Field

- Move back fences and modify field dimensions as defined by MLB/BELP
- Replacement of playing surface and warning track
- Portable padded batting practice cage and infield screens to meet Major League specification
- V.I.P. box for additional seats past dugouts (two rows of seats)
- Install direct line in dugout and each bullpen
- Batter's eye to be erected behind home run fence in center field (80 feet)
- structure to include camera bay
- Availability of boxes for camera equipment/locations
- Shampoo infield carpet to remove clay and silt as required
- Install part of fence padding for bullpen viewing by pitchers
- Install covered batting tunnel on each side of the stadium located near the bullpen and secured for player-only traffic
- Rebuild main mound and "new" bullpens to BOC specifications, level home plate and install new plate
- Backstop net to be repaired to the extent necessary
- Reinforce outfield wall, secure loose pads
- Replace non-working stadium lights and bring lighting on infield up to 125 F.C.
- Install photographer's booth on each side of homeplate wall
- Install appropriate drainage in batting tunnels

Field Equipment/Supplies

- 2 Workman/gators for hauling materials
- Compacter
- 300 feet of one-inch water hose
- Small tarps that fit the bases, mound and homeplate
- 175 x 175 full infield tarp, 2 protective screens
- Batting cage with secure padding and netting
- Water quick couplers for bullpen area
- Hitting mats and pitcher's mound throwing mats for batting tunnels and field, (sizes to be specified)
- Secure storage facility for materials and supplies for field operations. (minimum 400 square feet)
- Mist unit in each dugout
- Outfield warning track ruffled or a material to allow for different texture
- 2 batting tunnel, screens
- Hand tools for maintenance - A detailed list of specific items to be provided
- Materials to be needed for the games, in amounts as specified by BELP: clay bricks and bags, infield clay (bulk), home plate clay, Turface red or terra green red, bases and plates and pitching rubbers
-

Clubhouses

- Air conditioning check

- Full body whirlpool
- Connect alarm system in each clubhouse and auxiliary clubhouse storage area as of March 1, 2004 through July 31, 2004
- Repair shower heads in clubhouses
- Replace carpet throughout clubhouses
- Replace ceiling tiles as required
- Paint clubhouses
- Install 40 chairs in each clubhouse
- Install desk in Manager's office and trainer's rooms
- Purchase an additional commercial dryer and washer to be installed in laundry room (total of 2 commercial washers and dryers)
- Install GFI circuit breakers
- Change locks
- Improve lighting in locker rooms
- Replace water damaged ceiling covers before the commencement of each homestand
- Ability to control air conditioning units
- Improve drainage in the shower room
- More electrical outlets (separate breakers)

Seating Bowl

- Replace plates missing for row and seat numbers throughout facility (full inspection required)
- Repair seats throughout facility (full inspection required)
- Rental of additional speakers (satisfactory to BELP) in left and right field for fans seated in bleachers

Press Box

- Availability of tabletops
- Installation of telephone and data lines for portable computers and telephones (50 each)

General

- Full inspection of all plumbing throughout facility (urinals, bathrooms, water fountains)
- Full inspection of electrical outlets, stadium lighting, emergency lighting and general lighting in concourses, offices, rooms
- Installation of telephone lines as required by BELP (offices, press area, clubhouses, field, suites)
- Remove all existing clothing, equipment and supplies located in storage areas that are not required for games
- Appropriate directional signage in concourse

Exercise Equipment

- Exclusive access to exercise room in adjoining facility for players usage

Scoreboard

- Repair matrix board to ensure full usage for 22 games
- Relocation of video board (possibility of sponsorship) on a permanent structure as approved by BELP
- Renovate and upgrade equipment in control room

EXHIBIT B**Clubhouse Requirements**

Municipio shall provide the following items, equipment, services and personnel during the Use Period (as defined in the Agreement) at its sole cost and expense. The following equipment, services and personnel shall be provided to the satisfaction of BELP and the participating Major League Baseball clubs (the "Clubs") in their sole and absolute discretion.

- Secured storage space for baseball uniforms, equipment and supplies of the Montreal Expos commencing on March 1, 2004.
- Ice machine.
- One (1) batting cage, one (1) trainer's table and one (1) whirlpool.
- The following exercise equipment to be located in each clubhouse: one (1) treadmill, one (1) stairmaster, and one (1) bicycle. Weight training equipment shall be located at Pedrin Zorrilla Coliseum.
- Manager's office must be fully furnished.
- Sofas, chairs and two (2) coffee tables for and player's lounge area must be fully furnished in accordance with approved sketch design.

Exhibit C

Umpires' Room Requirements

Municipio shall provide the following items, equipment, services and personnel at the umpires' room at the Stadium during the Use Period (as defined in the Agreement) at its sole cost and expense. The following equipment, services and personnel shall be provided to the satisfaction of BELP (in consultation with MLB) and the participating umpires, in their sole and absolute discretion:

- Lockers – 4/5
- Telephone in room to contact GM, press box, security, etc.
- Showers - minimum 2 heads
- Bathroom facility in the room with toilet tissue and paper towels
- Area suitable for gear bags
- Seating area for 6 people, table to eat at
- Access to Exercise bicycle
- Access to laundry facility

Exhibit D

MLB Entities

Office of the Commissioner of Baseball, its Bureaus, Committees, Subcommittees and Councils, Major League Baseball Collective of Canada, Inc., Baseball Assistance Team, Inc., Major League Baseball Charity, Inc., Baseball Industry Growth Fund, L.L.C., Major League Baseball International Rookie Leagues, L.L.C., Venezuela Summer League, S.A., MLB Advanced Media, L.P., MLB Advanced Media, Inc., MLB Online Services, Inc., MLB Media Holdings, Inc., MLB Media Holdings, L.P., Major League Baseball Enterprises, Inc., Major League Baseball Properties, Inc. (including Major League Baseball Productions), Major League Baseball Properties Canada Inc., Green Fields OTM, Ltd., Baseball Television, Inc. (d/b/a Major League Baseball International), The Arizona Fall League, Inc. (d/b/a Maryvale Sagauos; Phoenix Desert Dogs; Scottsdale Scorpions; Grand Canyon Rafters; Peoria Javelinas; Mesa Solar Sox), Major League Baseball Scouting Bureau, National American Insurance Ltd., MLB Oficina de la Republica Dominicana, The MLB Urban Youth Foundation, The MLB and The MLBPA Disaster Relief Fund, The National League of Professional Baseball Clubs, its Bureaus, Committees, Subcommittees and Councils, The American League of Professional Baseball Clubs, its Bureaus, Committees, Subcommittees and Councils, The Baseball Network, Baseball International Partners, The Dominican Summer League, their subsidiary or affiliated companies and its and their directors, officers and employees must be named as Additional Insureds under the Commercial General Liability, Automobile Liability and Umbrella Liability Policies. All of the liability insurance

policies must contain Cross Liability Endorsements, or their equivalent. Further, coverage for the Additional Insureds shall apply on a primary basis irrespective of any other insurance, whether collectible or not. All policies shall be endorsed to provide that in the event of cancellation, non-renewal or material modification BELP shall receive thirty (30) days written notice thereof.