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MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF ABERDEEN,
MARYLAND AND TUFTON PROFESSIONAL BASEBALL LLC FOR CALENDAR
YEARS 2009, 2010 & 2011

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made this 24th day of December 2008, by and between THE CITY OF ABERDEEN, a body corporate and politic of the State of Maryland having and address of 60 North Parke Street, Aberdeen, Maryland, 21001, ("City"), and TUFTON PROFESSIONAL BASEBALL LLC, ("Tufton") having an address of 873 Long Drive, Aberdeen, Maryland 21001.

EXPLANATORY STATEMENT

WHEREAS, the City, at the recommendation of the Ripken Stadium Management Board ("RSMB"), assigned a significant portion of its licensing rights in Ripken Stadium ("Stadium") to Tufton Professional Baseball LLC ("Tufton") pursuant to four Memorandums of Understanding dated June 12, 2003, April 29, 2004, May 11, 2005 and December 6, 2005; and

WHEREAS, the RSMB believes it is in the best interest of the City that it continue to allow Tufton to act as its licensing agent under certain terms and conditions; and

WHEREAS, Tufton has stated to the City that based on its good faith estimates (assuming no adverse changes in the marketplace, economic conditions, or other factors not in Tufton's control), Tufton should receive at least between \$650,000 and \$750,000 in gross revenue as that term is defined below from events held at the Stadium in each of the next three successive years; and

WHEREAS, based on said estimates, the City believes that a fair payment to the City in return for granting Tufton the right to hold said events should equal ten percent (10%) of the gross revenue for the next two years and 11% of gross revenue for the third year; and

WHEREAS, the City believes that unless it receives at least \$55,000.00 per year from Tufton in return for allowing Tufton to hold events at the Stadium, based on the wear and tear on the Stadium resulting from the events, allowing the events to be held is uneconomic; and

WHEREAS, the provisions of this MOU are not intended to affect any provisions contained in the prior four MOU's between the City and Tufton in regard to the use of the Stadium for Aberdeen IronBirds baseball games; and

WHEREAS, at the recommendation of the RSMB and based on the estimates and information provided by Tufton to the RSMB, the City offers and Tufton accepts the terms and conditions set forth below.

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WHEREFORE, the parties, by signing below, agree to act in accordance with the following terms and conditions:

1. Incorporation of Explanatory Statement. The Explanatory Statement is hereby incorporated by reference as if fully set forth herein and is made a substantive part of this MOU.

2. Definitions:

a. "Gross Revenues" means all revenue and receipts whatsoever of all business conducted in or from the Stadium by Tufton, except for the following:

1. Sale of tickets, merchandise, advertising, food, beverages, etc., arising out of Aberdeen IronBirds baseball games played at the Stadium.

2. Revenue and receipts from concerts held in the Stadium Bowl at which an admission charge is paid.

3. Revenue and receipts of any kind paid directly from third parties to the exclusive food and beverage providers at the Stadium currently, Levy Restaurants and Bo Brooks, Inc. (collectively, the "Provider"). By way of example, payments for food made by third parties directly to the Provider shall be excluded from Gross Revenue. However, any payments whatsoever made by the third party to Tufton and by the Provider to Tufton for events held at the Stadium, including, but not limited to, commissions for referring the third party to the Provider, shall be included in Gross Revenue.

b. "Stadium" means the club level; the lower level concourse, the parking lot, the picnic area off of the right field line, the paved area off of the left field line, the seating bowl, the lower level restaurant and the playing field, including the warning track.

c. "Stadium Bowl" means the seating bowl and the playing field, including the warning track and surrounding the playing field in the Stadium.

3. Term. The term of this MOU, unless terminated as provided herein, ("Term") shall be effective for a period of three years, beginning January 1, 2009 and ending December 31, 2011.

4. Payments. Tufton shall pay directly to the City the following:

a. For the period beginning January 1, 2009 and ending December 31, 2009 ("MOU Year 1") a sum equal to ten percent (10%) of Gross Revenues

b. For the period beginning January 1, 2010 and ending December 31, 2010 ("MOU Year 2") a sum equal to ten percent (10%) of Gross Revenues

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c. For the period beginning January 1, 2011 and ending December 31, 2011 ("MOU Year 3") a sum equal to eleven percent (11%) of Gross Revenues

Pending the City's receipt of the Annual Statement pursuant to Section 12, below, Tufton shall make advance deposit payments of fifteen thousand dollars (\$15,000.00) each on May 31, July 31 and October 31 of each year of the Term of this MOU with a final payment or adjustment, as the case may be, on February 15 following each MOU Year without previous demand therefor by the City. The City shall by February 15 of each year, refund to Tufton the amount, if any, by which the deposit payments made by Tufton to the City exceed the actual amount payable by Tufton to the City for the preceding MOU year.

5. Tufton's Records. Tufton covenants and agrees that the business upon the Stadium shall be operated so that a duplicate sales slip, invoice, or non-resettable cash register receipt, serially numbered, or such other device for recording sales as RSMB approves, shall be issued with each sale or transaction, whether for cash, credit, or exchange. For the purpose of permitting verification by RSMB of any amounts due hereunder, Tufton shall keep and preserve for at least five (5) years after the end of each MOU Year, and during the Term shall keep at Tufton's Notice Address, such duplicate sales slips and receipts, and original or duplicate books and records, which shall disclose all information (conforming to and in accordance with generally accepted accounting principles consistently applied) required to determine Gross Revenue and the accuracy of the information required to be provided by Tufton regarding Tufton's expenditures pursuant to the provisions of this Section 5 (collectively, "Tufton's Records"). In addition, Tufton shall provide to RSMB, a copy of liquor tax, amusement and admission tax or other tax returns as filed by Tufton with any applicable municipal, county, or state authority, which taxes are computed and based upon Tufton's Gross Revenue from the Stadium. At any time or from time to time after at least five (5) business days' advance notice to Tufton, RSMB, its agents and accountants, shall have the right during business hours to make any examination or audit of Tufton's Records which RSMB may desire. If such audit shall disclose a liability for amounts owed in excess of the amounts paid theretofore paid by Tufton for any MOU Year, Tufton shall promptly pay such liability. Should any such liability for amounts owed equal or exceed \$5,000.00 (i) Tufton shall, in addition, promptly pay the cost of audit and interest at 7% on all amounts owed then payable, accounting from the date such additional amounts were due and payable, and (ii) an Event of Default shall be deemed to exist unless, within thirty (30) days after RSMB shall have given Tufton notice of such liability, Tufton shall have furnished RSMB with evidence satisfactory to RSMB demonstrating that such liability for additional amounts was the result of an honest faith error on Tufton's part.

6. Assignment of Licensing Rights. City assigns its licensing rights to Tufton in accordance with the terms and conditions set forth herein. Tufton shall have the exclusive right during calendar years 2009, 2010 and 2011 to license the use of the following components of the Stadium: the club level; the lower level concourse, the parking lot, the picnic area off of the right

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field line, the paved area off of the left field line, the seating bowl, the lower level restaurant and the playing field, including the warning track, in accordance with the terms and conditions set forth herein. Any request for a license after December 31, 2011 shall be approved by the RSMB.

7. Indemnification by Tufton. Tufton shall defend, indemnify and hold the City and RSMB harmless with regard to each event and/or use licensed by Tufton from and against any loss, cost, damage, claim, liability or expense (including attorney's fees) ("Claim Exposure") incurred in connection with any such event or use unless such Claim Exposure results from City's negligence or willful misconduct.

8. Monthly Calendar. Tufton shall maintain a monthly calendar which shall contain the most recent schedule of licensed events as well as all other uses of the Stadium grounds including IronBirds games and all other uses of the playing field.

9. Marketing Personnel. Tufton shall employ at least one experienced marketing person and adequate staff and equipment to properly administer the licensing of the Stadium under this MOU.

10. Event Report. Tufton shall provide the RSMB by no later than the fifteenth (15th) day of each month with a report on completed licensed events, scheduled licensed events and anticipated licensed events. Each report shall contain the following information: name of user (licensee), date and time of licensed event or use, anticipated or actual attendance, brief description of use, gross rental fee charged, portion of fee or separate charge for food and beverage and any other concession fee connected with the use. Notwithstanding anything to the contrary contained in this MOU, if more than two (2) times during any MOU Year, Tufton shall fail to render to RSMB the required monthly Event Report as and when required pursuant to this Section 10 and without demand therefore, then in addition to any and all rights of RSMB upon the occurrence of an Event of Default, RSMB shall have the right, without any prior notice to Tufton whatsoever, to terminate this MOU on written notice to Tufton sent pursuant to Section 15.4 hereof.

11. Quarterly Report. Fifteen [see Section 10—3rd month of quarter has 15 days] days following the end of each MOU Year quarter, except the first quarter Tufton shall submit a detailed financial report which contains, at a minimum, the data identified on Attachment A [NOT ATTACHED] for both the preceding quarter and for the prior licensing period. Notwithstanding anything to the contrary contained in this MOU, if more than one time during any MOU Year, Tufton shall fail to render to RSMB the required quarterly report as and when required pursuant to this Section 11 and without demand therefore, then in addition to any and all rights of RSMB upon the occurrence of an Event of Default, RSMB shall have the right, without any prior notice to Tufton whatsoever, to terminate this MOU on written notice to Tufton sent pursuant to Section 15.4 hereof.

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12. Annual Statement. At the end of each of the three MOU Years, Tufton shall submit to the RSMB an annual financial statement ("Annual Statement") with respect to the use of Ripken Stadium, which Annual Statement shall be reviewed by an independent certified public accountant, prepared in accordance with generally accepted accounting standards by March 1 of the following year. The Annual Statement shall be accompanied by the signed certificate of an independent certified public accountant stating specifically that (a) it has examined the report of Gross Revenue for the preceding Lease Year, (b) its examination included such tests of Tufton's books and records as it considered necessary or appropriate under the circumstances, (c) Tufton's books and records, including all financial statements, conform to and are in accordance with generally accepted accounting principles consistently applied, (d) such report presents fairly the Gross Revenue of the preceding MOU Year, and (e) the Gross Revenue conform with and are computed in compliance with the definition of Gross Revenue contained herein. If Tufton shall fail to deliver such annual certificate to RSMB within this sixty (60) day period, RSMB shall have the right, at its sole option to thereafter employ an independent certified public accountant to examine such books and records as may be necessary to certify the amount of Tufton's Gross Revenue for the MOU Year in question, and Tufton shall pay to the RSMB the cost thereof. Notwithstanding anything to the contrary in this Section 12, RSMB shall have the right, after the giving of at least five (5) business days' prior written notice, during Tufton's regular business hours, to examine the originals or copies of sales slips or receipts of Tufton required to be maintained by Tufton pursuant to Section 5 (Tufton's Records). Notwithstanding anything to the contrary contained in this Agreement, if, Tufton shall fail to render to RSMB the Annual Statement as and when required pursuant to this Section 12 and without demand therefore, then in addition to any and all rights of RSMB, RSMB shall have the right, without any prior notice to Tufton whatsoever, terminate this MOU on written notice to Tufton sent pursuant to Section 15.4 hereof.

13. Suspension of Limitation on Franchise Events. The City shall suspend the limitation on Franchise Events while this MOU is in effect.

14. Duties of RSMB:

A. The RSMB shall undertake the following duties and responsibilities:

1. Oversee delegation of leasing and marketing of the stadium complex to Tufton as provided above.
2. Review and comment on changes, if any, in Tufton's marketing and leasing program.
3. Review and approve or disapprove all requests for a license to use Stadium grounds on and after January 1, 2009.

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B. The City shall provide its commercially reasonable, non monetary cooperation to Tufton in an effort to reduce the cost of utilities provided to serve the Stadium by attempting to include the Stadium in a consortium of public agencies which receive utilities at rates below those available to the general public or other methods selected by the City in the exercise of its absolute discretion. The parties expressly agree and acknowledge that the City's failure to obtain said utility cost reduction shall not constitute a default by the City under this MOU.

15. General:

15.1. Complete Understanding. This Agreement represents the complete understanding between the parties hereto as to the subject matter hereof, and supersedes all prior written or oral negotiations, representations, guaranties, warranties, promises, statements or agreements between the parties hereto as to the Stadium.

15.2. Amendment. This Agreement may be amended by and only by an instrument executed and delivered by each party hereto.

15.3. Waiver. No party hereto shall be deemed to have waived the exercise of any right, which it holds hereunder unless such waiver is made expressly and in writing. No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

15.4. Notices. Any notice or other communication or document to be provided hereunder to a party hereto (a) shall be in writing, (b) shall be sent (i) as certified or registered mail in the United States mails, postage prepaid, return receipt requested, or (ii) by receipted hand delivery or receipted overnight delivery, to the address of such person which is set forth in the preamble section of this Agreement or to such other address as such person may designate from time to time by notice to the other.

15.5. Applicable Law. This Agreement shall be given effect and construed by application of the law of Maryland.

15.6. Successors and Assigns. None of the parties hereto shall be entitled to assign in whole or in part any of their right, title and interest in, to and under this Agreement, without the prior written consent of the other parties hereto, which consent may be withheld in the exercise of such other parties' absolute discretion. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns in interest hereunder.

15.7. Severability. No determination by any court, governmental or administrative entity or otherwise that any provision of this Agreement or any amendment hereof

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is invalid or unenforceable in any instance shall affect the validity or enforceability of (a) any other such provision, or (b) such provision in any circumstance not controlled by such determination.

15.8. Time of Essence. Time shall be of the essence of this Agreement.

15.9 Construction. RSMB, the City and Tufton agree that this MOU been thoroughly negotiated in good faith and that if any ambiguities shall arise hereunder there shall be no presumption that either party drafted this MOU and neither party shall have any such ambiguity resolved against it simply by virtue of its role in drafting or preparing this MOU.

15.10. Effectiveness. This MOU shall not be binding against the City, Tufton or RSMB unless and until fully executed copies of this MOU are delivered to each of the City and Tufton.

15.11 Early Termination. Notwithstanding anything to the contrary set forth herein, in the event the amount received by the City in any consecutive twelve month period during the term of this MOU is less than \$55,000.00, the City may terminate this MOU on thirty (30) days notice to Tufton. In the event of such termination pursuant to this Section 15.11 or any termination of this MOU by the City pursuant Sections 4, 10, 11 and 12 hereof, Tufton shall be entitled to hold any events after the termination of this MOU according to the terms of this MOU provided that such events were the subject of a binding contract between Tufton and any third party prior to the date the notice of termination was sent by the City as provided in this MOU.

15.12. Tufton Default. In the event that Tufton shall default in the performance of its obligations under this MOU, and if within ten (10) days following written notice thereof tendered by the City to Tufton in accordance with the provisions of Section 15.4, Tufton shall have failed to correct any such default, the City in addition to any other remedies set forth herein, the City shall be entitled to exercise its rights at law and equity.

15.13. Indemnification for Litigation Expenses. In the event of any litigation or proceeding arising out of or in connection with this MOU, the party that prevails in any such litigation shall be entitled to be paid its reasonable attorneys' fees, expert witness fees and court costs from the party that does not prevail in such litigation or proceeding.

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IN WITNESS WHEREOF the parties executed this MOU and affixed their seals
as of the date and year first above written.

WITNESS/ATTEST:

CITY OF ABERDEEN

Monica A. Cornell
City Clerk

BY: Michael E. Bennett
Michael E. Bennett, Mayor

TUFTON PROFESSIONAL BASEBALL LLC

Kan A. DeSantis

BY: Chris Flannery
Chris Flannery, Chief Operating Officer

*****PRELIMINARY & UNAUDITED***
FOR DISCUSSION PURPOSES ONLY**

Quarterly Statement
For Period Ending 09/30/08

Events - Tufton Professional Baseball LLC

	3rd Qtr 2008	2nd Qtr 2008	1st Qtr 2008	Year to Date
Revenue				
Event Revenue	239,917.36	277,775.55	46,619.00	564,311.91
Event-Food Income	36,874.49	57,153.21	10,649.87	104,677.57
Event-Misc Income				0.00
Total Revenue:	276,791.85	334,928.76	57,268.87	668,989.48
Cost of Sales				
Event Expense	137,343.28	169,095.39	33,355.94	339,794.61
Event Expense - Misc				0.00
Event Expense - City Commission	14,617.98	15,455.75	2,481.44	32,555.17
Event Expense - Partnership				0.00
Total Cost of Sales:	151,961.26	184,551.14	35,837.38	372,349.78
Gross Profit:	124,830.59	150,377.62	21,431.49	296,639.70
Expenses				
Advertising			7.43	7.43
Credit Card Fees	(54.91)	1,170.06	339.72	1,454.87
Decorating (Club Level)			31.05	31.05
Dues and Subscriptions	218.73	181.27	284.42	684.42
Equipment				0.00
Express & Courier			21.40	21.40
Gifts & Flowers	46.13	87.79	100.94	234.86
Insurance Workers Comp	428.01	428.01	428.01	1,284.03
Insurance:Group Health	3,827.66	3,416.05	2,710.84	9,954.55
Marketing Expense	2,303.92	4,556.65	4,001.90	10,862.47
Miscellaneous Expense				0.00
Office Supplies	1,019.39	574.50	705.47	2,299.36
Management Fee	30,210.00	30,210.00	30,210.00	90,630.00
Payroll Expenses (Awards, Fees, etc)	131.15	534.78		665.93
Pension Expense	769.24	935.62	760.03	2,464.89
Printing and Reproduction				0.00
Professional Fees:Accounting				0.00
Professional Fees:Legal	1,201.50	534.00	470.87	2,206.37
Postage & Delivery	355.26	1,876.34	484.04	2,715.64
Repairs and Maintenance				0.00
Salaries	56,208.41	59,346.66	52,282.14	167,837.21
Seminars and Conferences		0.00	250.00	250.00
Stadium Expenses Repairs		719.45	523.85	1,243.30
Staff Uniforms Events	54.34	358.12		412.46
Taxes:Payroll	4,442.72	5,081.61	4,826.77	14,351.10
Telephone		200.00		200.00
Travel & Entertainment	4,450.35	2,856.49	4,721.11	12,027.95
Utilities	15,792.23	24,710.81	55,494.71	95,997.75
Total Expenses:	121,404.13	137,778.21	158,654.70	417,837.04
Net Income from Operations:	3,426.46	12,599.41	(137,223.21)	(121,197.34)
Earnings before Income Tax:	3,426.46	12,599.41	(137,223.21)	(121,197.34)
Net Income (Loss):	3,426.46	12,599.41	(137,223.21)	(121,197.34)

Facility Administration Expense Breakout or Mgt Fee detail

Labor Portion of Mgt. Fee

	Estimated Time Allocation
Ely Ripken - Accounting Mgr	40.0%
Susan Boig - Accounting Assistant	15.0%
Jeff Eiseman - VP	5.0%
Facilities Maintenance/Group (6 people excluding custodial)	10.0%
Brad Cox - Director of Ticketing	5.0%
Jason Vaughn - Video/Audio	5.0%
Ticketing Staff (6 people assist w/tarp pulls, furniture moves)	2.0%
RBI Shared Services (COO, CFO, Controller, Payroll, HR)	1.0%
Joanne Reynolds - Administrative	15.0%
Total Time (% of FTE)	98.0%

Total Labor portion of Mgt. Fee

Total Expense Portion of Mgt. Fee

Estimated ER Tax (10.55%) \$ 91,659

Total Salary Allocation \$ 101,329

Total 2007 Expense	% of Total Headcount	% of Year used for Events	Extension/Allocation
Total RPB Telephone Cost	16000	20%	\$ 3,186
Total RPB Internet Connection / Comcast	52000	20%	\$ 10,355
Total RPB MNS Group expense	30000	20%	\$ 5,974
Total RPB Utilities	0	-	\$ -
Total Expense (additional) to be allocated to TPB			\$ 19,515

charged directly to Events Income Statement

Direct Payroll Headcount	Start date in TPB	Months of Employment in TPB for 2007	headcount factor
Karen Zoda	12.07.06	12	1.00
Blake Chronister	09.07.07	10	0.93
Amy Venuto	12	0.60	0.60
Audree Burns (replaced Heather Zucker)	01.09.08	0	-
Lindsey Miller	01.29.06	12	1.00
Andrew Carnuso	11.05.07	2	0.17
Total of Mgt based on time allocation			0.98
Modified FTE equivalent Total TPB Headcount (includes Mgt Services)			4.58
Total Stadium Office Headcount			23
TPB headcount as % of total stadium headcount (including shared services)			20%

60 % salary charged to TPB

