

**2016 AMENDMENT TO THE AMENDED AND  
RESTATED  
MANAGEMENT AND OPERATIONS AGREEMENT**

This 2016 Amendment to the Restated Management and Operations Agreement (“2016 Amendment”) is made and entered into on this 7th day of June, 2016 by and between the City of Manchester, New Hampshire (the “City”), and New Hampshire Triple Play, LLC (the “Manager”).

WHEREAS an Amended and Restated Management and Operations Agreement (“2005 Agreement”) was entered into on January 25, 2005, by and between the City and 6 TO 4 TO 3, LLC; and

WHEREAS the Manager then became the successor in interest to 6 TO 4 TO 3, LLC; and

WHEREAS a Third Amendment to the 2005 Agreement was then made and entered into on October 20, 2009 by and between Manager and the City; and

WHEREAS an “Amendment Number 2” to the 2005 Agreement was then made and entered into on March 6, 2014 by and between Manager and the City; and

WHEREAS the City and the Manager, once again, have agreed to terms to further amend the 2005 Agreement;

NOW THEREFORE, the City and the Manager agree as follows:

1. **Replacement of Field:** The City will pay up to

\$573,000.00 for replacement of the playing field, which may include replacement of the playing surface, underlying substrate, drainage system, and/or other elements necessary to construct a first-rate playing surface for professional baseball. This work will be performed and supervised by a contractor expert in the construction of professional baseball playing fields and who has significant experience constructing such fields in the Northeastern United States who will (1) be selected after joint consultation and agreement between the City of Manchester's Public Works Director and Manager; and (2) be approved by the Special Committee of Riverfront Activities and Baseball. Any savings realized against the \$573,000.00 directed for field replacement will be applied to Manager's side of the financial obligation for another capital project pursuant to, and as defined by the 2005 Agreement.

2. **Replacement of Fire Suppression System:** The City will pay up to \$350,000.00 for replacement of the stadium's fire suppression system. This work will be performed and supervised by a contractor expert in the field who will (1) be selected after joint consultation and agreement between the City of Manchester's Public Works Director and Manager; and (2) be approved by the Special Committee of Riverfront Activities and Baseball. Any savings realized against the \$350,000.00 directed for replacement of the stadium's fire suppression system will be applied to Manager's side of the financial

obligation for another capital project pursuant to, and as defined by the 2005 Agreement.

3. **Testing of Stadium Envelope:** The City will pay up to \$25,000.00 for inspection and testing of the stadium's building envelope, and the generation of a report proposing the repairs necessary to remedy the problems identified by this inspection and testing. This work will be performed and supervised by a contractor expert in the field who will (1) be selected after joint consultation and agreement between the City of Manchester's Public Works Director and Manager; and (2) be approved by the Special Committee of Riverfront Activities and Baseball. Any savings realized against the \$25,000.00 directed for this work will be applied to Manager's side of the financial obligation for another capital project pursuant to, and as defined by the 2005 Agreement.

4. **Not to Exceed Aggregate Cost:** Total City funding for these three projects is not to exceed \$948,000.00 (\$573,000.00 plus \$350,000.00 plus \$25,000.00), however, cost savings on any of these projects can be applied against cost overruns on any of the other(s) so long as the total cumulative City funding for the three projects does not exceed \$948,000.00 in the aggregate. Any aggregate savings realized against this \$948,000.00 aggregate amount will be applied to Manager's side of the financial obligation for another capital project pursuant to, and as defined by the 2005 Agreement.

5. **Correction of Stadium Envelope Issues:**

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Separate from and in addition to the City expenditures itemized in Paragraphs 1-3 above, the City and Manager will evenly divide up to \$150,000.00 (\$75,000.00 each to the City and the Manager) of any and all aggregate costs associated with correcting the stadium envelope issues specifically identified by the process detailed in Paragraph 3 above.

Manager shall be solely responsible for any and all building envelope costs associated with correcting building envelope issues specifically identified during the testing referenced in Paragraph 3 that exceed \$150,000.00 in the aggregate. Work needed to correct all building envelope issues specifically identified in Paragraph 3 shall be performed immediately by a contractor expert in the field who will (1) be selected after joint consultation and agreement between the City of Manchester's Public Works Director and Manager; and (2) be approved by the Special Committee of Riverfront Activities and Baseball. Any building envelope issues that might arise or be identified in future years of the Term shall be dealt with as capital expenditures as provided for in the 2005 Agreement.

6. **Additional Parking:** The City will prepare the City-owned parcel between the Stadium and the railroad tracks, as more specifically described by the map attached as Appendix 1, for "Additional Parking." Manager will manage the Additional Parking, and all revenue (net of Manager's expenses for managing the Additional Parking) derived from the Additional Parking will, at the end of

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each season, be deposited into the Stadium's Capital Reserve Fund ("Capital Reserve Fund").

7. **Three-year Capital Plan Required:** Beginning in 2017 and continuing for the duration of the Term, Manager shall annually, in collaboration with the City's Public Works Director, jointly prepare a three-year capital plan for the Stadium to be reviewed and approved by the Board of Mayor and Aldermen.

8. **Increase in Capital Reserve Fund**

**Contributions by Manager:** Manager will increase its annual contribution to the Stadium capital reserve fund from \$35,000 to \$100,000 commencing in 2016 and for the 13 years remaining on the City's Stadium bonds, with the final payment being owed in 2028. This \$100,000 annual contribution by Manager to the Capital Reserve Fund shall be *in addition* to any deposits made into the Capital Reserve Fund derived from the Additional Parking revenue referenced in Paragraph 6 above.

9. **Manager to Self-Fund up to the \$100,000**

**Deductible on Stadium in the Event of a Catastrophic Loss:** At all times beginning in 2016 and continuing for the duration of the Term, Manager agrees to self-fund up to the full amount of the City's \$100,000 insurance deductible (1) in the event of a fire, flood, or other catastrophic loss to the Stadium that is covered by insurance; and (2) in the event that there is insufficient funding available in the Capital Reserve Fund to cover this first

\$100,000 of losses, which in all events, shall be exhausted first before Manager shall be required to gap-fill. The City agrees that, for the duration of the Term, it shall (a) annually provide copies of all current policies of insurance covering the Stadium to Manager; and (b) maintain and pay the premiums on all such policies of insurance on the Stadium with no larger than a \$100,000 deductible. The intent of this provision is to protect the City against any foreseeable catastrophic event that would require an unexpected draw on an insufficient Capital Reserve Fund and trigger the City's obligation to pay one-half of such expenses, but to limit Manager's liability in the event of such an event to no more than \$100,000.

10. **Manager to Fund any Further Capital Expenditures from 2016-2020:** With the exception of the City Payments detailed in Paragraphs 1-5 above, for the first five years of the amended Term (2016-2020), Manager will be solely responsible to fund 100 percent of any annual capital expenditures made that exceed the funding available in the Capital Reserve Fund. This period of self-funding by Manager will conclude on December 31, 2020.
  
11. **City and Manager to Split Additional Capital Funding Requirements from 2021-2035:** Beginning on January 1, 2021 and continuing until the end of the Term on December 31, 2035, the City and Manager will divide equally (50 percent to each) any annual capital expenditures made that exceed the funding



available in the Capital Reserve Fund. In the event that the Capital Reserve Fund is exhausted or insufficient to cover proposed additional capital expenditures requested by Manager, such capital expenditures, the cost of which is to be divided equally between the City and the Manager (50 percent to each), will require the joint approval of the Manager and the Board of Mayor and Aldermen.

12. **Manager Responsible for Routine**

**Maintenance Costs:** Manager will continue to be responsible for routine maintenance costs during the Term. What constitutes a routine maintenance costs as opposed to a capital expenditure is defined in the 2005 Agreement.

13. **Term of Agreement to Run Through 2035:**

The Term of this Amended Agreement between the City and the Manager is hereby clarified and extended to run through December 31, 2035. During the last 7 years of the Term, from 2029 to 2035, Manager will make an annual payment of \$500,000, which annual payment shall be deposited into the Capital Reserve Fund.

14. **Security for Remainder of Bond Payments in**

**Event Team is Moved:** Pursuant to the most current bond amortization schedule attached as Appendix 2, there currently remains approximately \$18 million of principal balance on the City's bond for the project. Pursuant to the 2005 Agreement, half of this principal balance (currently approximately \$9M) is to be paid from Manager's annual payments to the



City. Arthur Solomon has secured the remaining \$9M of bond payments to be funded from Manager's annual payments to the City by providing the City with a Security Agreement (attached as Appendix 3), collateralized by Arthur Solomon's financial interest in the team, and stating that Manager's remaining financial obligation to the City of Manchester will be paid off should Mr. Solomon attempt to move the team out of Manchester prior to the bond being paid off in 2028. The City of Manchester shall, at all times, be in the first position with respect to this security interest in the team. Mr. Solomon hereby represents and warrants that he owns 100 percent of the Team, and that the Team's valuation exceeds Manager's remaining financial obligations to the City. It is understood by all parties that the required amount of this security to be maintained pursuant to this Security Agreement shall, at all times between the time of the execution of this 2016 Amendment and the time of the loan payoff in 2028, be one-half of the then-remaining bond principal balance pursuant to the bond amortization schedules attached hereto as Appendix 2.

15. **End of Term Division of Capital Reserve**

**Fund.** Unless the current 2005 Agreement is extended, or a new agreement between the City and the Manager is executed on or prior to December 31, 2035, any amounts remaining in the stadium capital reserve account at the end of the Term shall be divided 50/50 between the City and the Manager or its successor or

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assignee.

16. **Manager's Right of Assignment.** Manager shall have the right to assign all of its obligations under the 2005 Agreement (as amended by this 2016 Amendment) to any member of Arthur Solomon's family (defined as spouse, children, grandchildren) without the need for written consent from the City, so long as such assignee shall provide financial security to the City sufficient to cover Manager's obligations under this Agreement.

With the exception of the aforementioned assignment to the family members of Arthur Solomon, Manager may otherwise assign this Agreement only with the written consent of the City, which consent shall not be unreasonably withheld assuming that any such assignee shall provide sufficient financial assurances and security to the City to cover Manager's obligations under this Agreement, and that the City shall be given a 60-day due diligence period to evaluate the new ownership. No such assignment shall in any way relieve or excuse Manager from any of its obligations under the 2005 Agreement or the 2016 Amendment existing prior to the effective date of the assignment. Following any such assignment, Manager shall be released of any and all liability arising under the Amended Agreement after the date of such assignment, unless such liability was proximately caused by Manager's direct, intentional, reckless or negligent acts or omissions occurring prior to the date of such assignment.



17. **Sale of Team.** Manager shall be entitled to sell the Team and assign the 2005 Agreement (as amended by this 2016 Amendment), at any time, to any third party approved by the National Association, so long as such new owner agrees in writing to assume all of the Manager's rights and obligations remaining under the Agreement, provides sufficient financial assurances and security to the City to cover Manager's obligations under this Agreement, and that the City shall be given a 60-day due diligence period to evaluate the new ownership. Manager agrees to notify City of any such sale within thirty (30) days of the execution of any option to purchase or purchase agreement. Following the sale, Manager shall thereafter be released from any liability arising under this Agreement after the date of such sale, unless such liability was proximately caused by the Manager's direct, intentional, reckless or negligent acts or omissions occurring prior to the date of such assignment.

18. Notwithstanding the foregoing, Manager shall, at all times during the Term of this Agreement, be entitled to sell a minority interest in the Team to any qualified and interested party or parties without consent from the City so long as, notwithstanding the sale of such minority interest, in the event that the Team is moved out of the City of Manchester during the Term, Manager, and not such new party or parties, shall retain the entirety of the bond repayment obligation described in Paragraph 14 above. Manager agrees, however, that for purposes of

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ensuring that the City's security interest in Manager's financial interest in the Team is not eroded below one-half of the then-remaining bond principal balance pursuant to the bond amortization schedules attached hereto as Appendix 2:

- a. at the time of the sale by Manager of any such minority interest in the Team, Manager may, at his sole discretion, elect to have the value of the Team and/or the minority interest being sold appraised by a certified appraiser experienced in the valuation of professional baseball teams in the northeastern United States and approved by Minor League Baseball ("Appraised Valuation"); or
- b. notwithstanding the fact that this method may be inexact and underestimate the actual value of the Team, Manager may, at his sole discretion, elect to sell a minority interest in the Team without a formal appraisal, in which case the valuation of the percentage of such minority interest sold shall be extrapolated on a straight-line basis, ignoring the value premium attendant to the majority interest, to derive an informal valuation of the Team ("Informal Valuation"); and
- c. Manager agrees that for as long as there remains a principal balance on the bond, Manager will sell no minority interest(s) in the Team that would cause the City's security interest in Manager's remaining financial interest in the Team to be eroded below one-half of the then-remaining bond

principal balance pursuant to the bond amortization schedules attached hereto as Appendix 2; and

If, while there remains a principal balance on the bond, if an Informal Valuation of the Team was used and reveals that the total value of the Team is less than one-half of the then-remaining bond principal balance pursuant to the bond amortization schedules attached hereto as Appendix 2, then, within 30 days of the completion of such valuation, a formal appraisal of the Team shall be conducted and paid for by Manager, and if such Formal Appraisal still reveals that the total value of the Team is less than one-half of the then-remaining bond principal balance pursuant to the bond amortization schedules attached hereto as Appendix 2, Manager will then, within 30 days of the completion of such Formal Appraisal, pledge such additional personal assets as is necessary to make up the difference in valuation necessary to fully secure the City for one-half of the then-remaining bond principal balance.

19. **MLB/MiLB Required Language:** The parties hereby acknowledge and agree that all rights granted under both this Agreement and the Security Agreement attached hereto as Appendix 3 are expressly subject to, and must conform with, all baseball rules and regulations, including, without limitation: (1) all rules, regulations, constitutions and bylaws of the league of which the club is a member; (2) all rules and regulations of The National Association of Professional Baseball Leagues, Inc. d/b/a Minor League Baseball, including

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the National Association Agreement; (3) the Professional Baseball Agreement; (4) the Major League Rules; and (5) any rule, regulation, restriction, guideline, resolution or other requirement issued from time to time by any baseball authority (e.g., the League President, the NAPBL President, the NAPBL Board of Trustees or the Commissioner of Baseball) including the NAPBL Gambling Guidelines. Art Solomon represents that to the best of his knowledge, at the time of this Amended Agreement, Art Solomon, NH Triple Play and the City of Manchester are in compliance with all of these requirements, and that he will promptly notify the City of Manchester if the Team should fall out of compliance with these requirements prior to 2028.

The Lenders and Secured Parties agree to be bound by the Major League Rule regarding Regulation of Minor League Franchises (“Rule 54”), a copy of which is attached as Appendix 4 hereto (all capitalized terms used in this Section 10.22 and not otherwise defined herein or in the Pledge and Security Agreement have the meanings given such terms in Rule 54). The Lenders and Secured Parties acknowledge that Rule 54 does not permit a Club to pledge its Franchise as security for any Indebtedness and requires that the transfer or pledge of any interest in such Club is subject to the approval of the President of MiLB and review of the Commissioner in their sole and absolute discretion and the applicable League in accordance with such League’s Constitution and Bylaws. Accordingly, the Lenders and Secured Parties

acknowledge that such approval would be required for (i) the sale of a participation in a loan or an assignment of any loan, note or security agreement, other than any such sale(s), participation(s) or assignment (s) to any Pre-Approved Assignee (for which no such approval shall be required provided that written notice of such sale or assignment is provided to the MiLB President at the time of the sale or assignment) and (ii) any foreclosure, sale or transfer of the Collateral to a third party as well as to any Secured Party. Any such sale, assignment, foreclosure, sale or transfer of Collateral to a third party or a Secured Party (other than, in the case of clause (i) of the immediately preceding sentence, to a Pre-Approved Assignee) without such prior approvals or the approvals required by Rule 54 will be null and void. Further, any Lien granted hereunder and/or under the Pledge and Security Agreement shall specifically exclude all membership interests in any professional baseball league and other baseball organizations, any Affiliation Agreements, all present and future territorial rights that any Club may have under applicable Baseball Rules, all uniforms, bats, balls and other baseball and training equipment, including, without limitations, machinery and equipment to maintain the field and all other agreements, rights, benefits and interests determined by MiLB in its sole discretion to comprise the applicable Franchise. Any Lien granted hereunder and/or under the Pledge and Security Agreement shall specifically exclude the Stadium Leases, but shall include the rights to payment and proceeds in respect thereof, in each case, unless the Secured Party has received the express prior written approval of any exception

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thereto by the applicable League(s), the President of MiLB and the Commissioner. Secured Parties shall promptly notify the President of MiLB, the Commissioner and the applicable League of any taking by Secured Parties of any remedies under this Agreement or any other Credit Document to the extent required by Rule 54. Secured Parties acknowledge that any temporary or permanent management of the Collateral by the Secured Parties or any receiver or trustee shall be subject to prior approval by the President of MiLB and review of the Commissioner in their sole and absolute discretion and the applicable League in accordance with its Constitution and Bylaws. In the event that Secured Parties desire to operate any Franchise for their own account on a temporary or permanent basis, Secured Parties shall obtain the prior written approval of the President of MiLB in accordance with Rule 54 as well as the approval of the applicable League. Nothing contained in this Section 10.22 shall be deemed to limit the obligations of any Credit Party to any Agent, Lender or Secured Party under any Credit Documents and the rights of the Agents, Lenders and Secured Parties thereunder which, in either case, are not inconsistent with the provisions of this Section 10.22. As used herein, "Pre-Approved Assignee" means (a) any Lender, (b) any Affiliate of any Lender, (c) any Related Fund, (d) any federally- or state-chartered or licensed commercial bank, savings and loan association or savings bank that is insured by the Federal Deposit Insurance Corporation provided that the total assets of such entity equals or exceeds \$2,000,000,000.00; and (e) any insurance company duly licensed under state and federal law.

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20. **Other terms of 2005 Agreement Unchanged:**

Unless amended in this 2016 Amendment and presented to the Board of Mayor and Aldermen for their approval, all terms and conditions of the 2005 Agreement currently in place (and as previously amended) shall remain in effect through 2035. In the event that any ambiguity has been introduced by this 2016 Amendment such that one or more terms of this 2016 Amendment conflict or create ambiguity with respect to one or more terms of the 2005 Agreement or any of its prior amendments, the term(s) of this 2016 Agreement shall control.

Nothing about any of the foregoing shall be interpreted to prevent the City and Manager from further amending the 2005 Agreement by mutual agreement, in writing, at any time during the remainder of the Term.

21. **Definitions:** All capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the 2005 Agreement.

22. **Authority:** The City and the Manager each certifies to the other that the persons executing this 2016 Amendment on its behalf are duly authorized to execute and deliver this Amendment.

23. **Choice of Law:** This 2016 Amendment shall be construed and enforced in accordance with the laws of the State of New Hampshire, without regard to conflict of laws rules or

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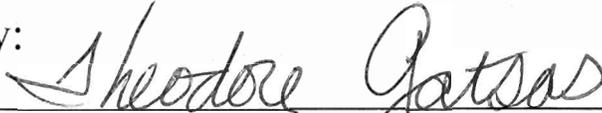
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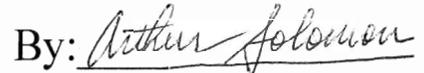
IN WITNESS WHEREOF, the undersigned have executed this 2016 Amendment as of the date first written above.

THE CITY OF MANCHESTER, NH  
HAMPSHIRE TRIPLE PLAY, LLC

NEW

By:



By: 

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Theodore L. Gatsas, Mayor  
Solomon, Managing Director

Arthur

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PARK

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# APPENDIX 2

DEBT SERVICE BY PROJECT  
 MINOR LEAGUE STADIUM & GILL REHAB (BASEBALL)  
 BASEBALL STADIUM LOAN (BASEBALL\_LOAN)  
 From Jul 1, 2016 to Jun 30, 2029

Date	Principal	Interest	Debt Service	Annual Debt Service
12/1/2016	1,120,033.59	355,228.73	1,475,262.32	
6/1/2017		327,082.79	327,082.79	
6/30/2017				1,802,345.11
12/1/2017	1,178,101.80	327,082.79	1,505,184.59	
6/1/2018		297,469.88	297,469.88	
6/30/2018				1,802,654.47
12/1/2018	1,237,469.62	297,469.88	1,534,939.50	
6/1/2019		266,355.96	266,355.96	
6/30/2019				1,801,295.46
12/1/2019	1,301,000.66	266,355.96	1,567,356.62	
6/1/2020		233,628.81	233,628.81	
6/30/2020				1,800,985.43
12/1/2020	1,372,546.05	233,628.81	1,606,174.86	
6/1/2021		199,093.05	199,093.05	
6/30/2021				1,805,267.91
12/1/2021	1,441,019.45	199,093.05	1,640,112.50	
6/1/2022		169,680.13	169,680.13	
6/30/2022				1,809,792.63
12/1/2022	1,503,664.86	169,680.13	1,673,344.99	
6/1/2023		138,960.18	138,960.18	
6/30/2023				1,812,305.17
12/1/2023	1,565,638.51	138,960.18	1,704,598.69	
6/1/2024		106,918.17	106,918.17	
6/30/2024				1,811,516.86
12/1/2024	1,017,812.27	106,918.17	1,124,730.44	
6/1/2025		85,448.70	85,448.70	
6/30/2025				1,210,179.14
12/1/2025	1,014,105.83	85,448.70	1,099,554.53	
6/1/2026		65,079.16	65,079.16	
6/30/2026				1,164,633.69
12/1/2026	1,010,412.73	65,079.16	1,075,491.89	
6/1/2027		43,613.34	43,613.34	
6/30/2027				1,119,105.23
12/1/2027	1,011,067.21	43,613.34	1,054,680.55	
6/1/2028		22,063.07	22,063.07	
6/30/2028				1,076,743.62
12/1/2028	1,006,745.45	22,063.07	1,028,808.52	
6/30/2029				1,028,808.52
	15,779,618.03	4,266,015.21	20,045,633.24	20,045,633.24

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DEBT SERVICE BY PROJECT  
 MINOR LEAGUE STADIUM & GILL REHAB (BASEBALL)  
 BASEBALL STADIUM LOAN (BASEBALL\_LOAN\_2)  
 From Jul 1, 2016 to Jun 30, 2029

Date	Principal	Interest	Debt Service	Annual Debt Service
12/1/2016	94,364.43	37,398.95	131,763.38	
6/1/2017		35,027.62	35,027.62	
6/30/2017				166,791.00
12/1/2017	100,238.45	35,027.62	135,266.07	
6/1/2018		32,508.02	32,508.02	
6/30/2018				167,774.09
12/1/2018	106,232.04	32,508.02	138,740.06	
6/1/2019		29,837.01	29,837.01	
6/30/2019				168,577.07
12/1/2019	112,584.16	29,837.01	142,421.17	
6/1/2020		27,004.92	27,004.92	
6/30/2020				169,426.09
12/1/2020	119,447.84	27,004.92	146,452.76	
6/1/2021		23,999.39	23,999.39	
6/30/2021				170,452.15
12/1/2021	126,451.53	23,999.39	150,450.92	
6/1/2022		21,418.36	21,418.36	
6/30/2022				171,869.28
12/1/2022	132,809.23	21,418.36	154,227.59	
6/1/2023		18,705.06	18,705.06	
6/30/2023				172,932.65
12/1/2023	139,170.42	18,705.06	157,875.48	
6/1/2024		15,856.83	15,856.83	
6/30/2024				173,732.31
12/1/2024	142,187.73	15,856.83	158,044.56	
6/1/2025		12,857.55	12,857.55	
6/30/2025				170,902.11
12/1/2025	145,894.17	12,857.55	158,751.72	
6/1/2026		9,927.09	9,927.09	
6/30/2026				168,678.81
12/1/2026	149,587.27	9,927.09	159,514.36	
6/1/2027		6,749.16	6,749.16	
6/30/2027				166,263.52
12/1/2027	153,932.79	6,749.16	160,681.95	
6/1/2028		3,468.18	3,468.18	
6/30/2028				164,150.13
12/1/2028	158,254.55	3,468.18	161,722.73	
6/30/2029				161,722.73
	1,681,154.61	512,117.33	2,193,271.94	2,193,271.94

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**SECURITY AGREEMENT**

This SECURITY AGREEMENT (the "Agreement"), dated June 7, 2016, is between Arthur P. Solomon, an individual domiciled at 63 Manning Street, Providence, Rhode Island (hereinafter "Debtor"), and the City of Manchester, New Hampshire, a municipal corporation with its principal place of business at 1 City Hall Plaza, Manchester, New Hampshire (hereinafter called "Secured Party").

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. **Obligor's Payment Obligations and Grant of Security Interest.**

(a) **Obligor's Payment Obligations.** Debtor hereby agrees to pay, but solely from the Collateral referred to in Section 1(b) hereof, one-half of any then-remaining bond principal balance pursuant to the bond amortization schedules attached to the 2016 Amendment as Appendix 2 in the sole event that Mr. Solomon or his successor(s) or assign(s) should attempt to move the Team out of the City of Manchester prior to the bond on the Stadium being paid off in 2028 (the "Obligations").

(b) **Obligor's Grant of Security Interest.** In order to secure the Obligor's Obligations referred to in Section 1(a) above, Obligor hereby grants to the Secured Party a lien on, pledge of and security interest in, and mortgages to Secured Party, the following described property and interests in property of Debtor (hereinafter called the "**Collateral**"):

**Mr. Solomon's ownership interest in the Eastern League Professional Baseball Franchise known as New Hampshire Fisher Cats Baseball Club**

**This security interest is not granted and shall not be operative for any other breach of the Revised Management and Operations Agreement (the "Operating Agreement") or the 2016 Amendment by NH Triple Play, LLC or its successor(s) or assign(s).**

2. **Warranties and Covenants of Debtor.** Debtor warrants and covenants that:

(a) The Debtor shall immediately notify the Secured Party in writing of any change in name, address, identity or corporate structure from that shown in this Agreement.

(b) Debtor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, including all revenues, receipts, accounts, proceeds, intangibles and Revenues, as defined in the Operating Agreement (collectively the "Pledged Revenues"), without the prior written consent of Secured Party except as permitted for sales or transfers of Obligor's ownership interest as provided in the Operating Agreement as amended by the 2005 Agreement or 2016 Amendment; provided, however, that any sale, assignment, pledge, or other transfer or encumbrance of the Pledge Revenues other than as part of such a sale or transfer of a portion of such ownership interest shall be subject to the prior written consent of Secured Party.

(c) Debtor will keep the Collateral free from any other adverse lien, security interest or encumbrance and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall immediately notify the Secured Party, in writing, should Debtor become aware that the Collateral has been involuntarily subjected to any other adverse lien, security interest or encumbrance.

(d) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the Obligations.

3. **Events of Default.** Debtor shall be in default under this agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or liabilities contained or referred to herein; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished and which has caused actual and material damage to the Secured Party's interests hereunder, "actual and material damage" being further defined as existing financial damage to the Secured Party's interests hereunder which is neither hypothetical nor contingent on the occurrence of any additional or subsequent event and which can be calculated to exceed 10 percent of Debtor's remaining payment obligation as defined by 1(a) above and; (c) any sale or encumbrance to the Collateral in violation of this Agreement (other than as permitted by the 2005 Agreement or the 2016 Amendment); or (d) dissolution, termination of existence, filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, insolvency, business failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor.

5. **Remedies.** In the event of a Default under this agreement, Secured Party shall provide the Debtor with written notice of the Default mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement, and **ten business days to cure** any such Default. At any time thereafter, if such default is not cured by the Debtor to the satisfaction of the Secured Party or if such Default is not otherwise excused by the Secured Party, the Secured Party may declare all obligations secured hereby immediately due and payable and shall have the following specifically permitted remedies: (1) the Secured Party shall be entitled to place this Agreement into the hands of a judge in the United States District Court for the District of New Hampshire for enforcement; and (2) the United States District Court shall then consult with the President of the Eastern League for the purposes of designating and appointing a qualified Receiver with knowledge and experience in selling professional baseball teams at the Double-A



or higher level; and (3) said Receiver shall assist the Secured Party in holding, maintaining, preserving, and preparing the Collateral for sale, until disposed of in a properly noticed sale that receives the approval of the Eastern League. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorney's fees and legal expenses incurred by Secured Party, shall be applied in satisfaction of the Obligations secured hereby. The Secured Party will account to the Debtor for, and release to the Debtor any surplus realized on such disposition, and the Debtor shall remain liable for any deficiency.

Given the unusual nature of the Collateral granted herein, and the liquidation restrictions imposed upon that Collateral by the Eastern League, the remedies of the Secured Party hereunder are by the express agreement of the Parties hereto, specifically limited to those remedies provided for herein, and other remedies not mentioned herein but provided to secured parties generally under the Uniform Commercial Code of New Hampshire **shall not be applicable** to the Secured Party herein.

6. **General.** No waiver by Secured Party of any Default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind its successors or assigns. This agreement shall become effective when it is signed by Debtor. It is understood by all parties that this Security Agreement, and the 2016 Amendment, are expressly subject to, and must conform with, all baseball rules and regulations, including, without limitation, MLR 54 as described in Paragraph 19 of the 2016 Amendment and Appendix 4 thereto.

If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

This Agreement shall be governed by the laws of the State of New Hampshire without respect to choice of law principles.

Secured Party:

By: Theodore Gattas  
Its: MAYOR

Debtor:

By: Arthur Solomon  
Its: