



March 3, 2017

AZPB Limited Partnership
AZPB FM Limited Partnership
Chase Field
401 East Jefferson St.
Phoenix, AZ 85004
Attention: Derrick M. Hall, President and CEO

RE: Steel and Concrete Repairs planned for 2017-18 Off-Season

Dear Mr. Hall:

The purpose of this letter is to memorialize the concurrence between the Maricopa County Stadium District (MCSD) and the Arizona Diamondbacks (DBacks) to move forward with Steel and Concrete Repairs planned for the 2017-18 Off-Season. The MCSD and DBacks staff reviewed a handful of potential locations for next year's remediation work and there was agreement reached as to which locations would be the most prudent for the 2017-18 Off Season. The sections agreed upon are gridlines R17, R18, and R19 on the Main Concourse and Field Levels which include Seating Sections 112, 113, and 114 (Main Concourse Level), and the Engineering Offices, the Visitor's Clubhouse Batting Cage, the Sonoran Room, and a portion of the Visitor's Clubhouse (Field Level). It was confirmed there is significant water infiltration at these gridlines along the caulk and expansion joints that has caused a need for maintenance and equipment replacement. It is our understanding that the DBacks are contracting to do temporary remediation on the expansion joint in this area in anticipation of the permanent repair taking place during the 2017-18 Off-Season.

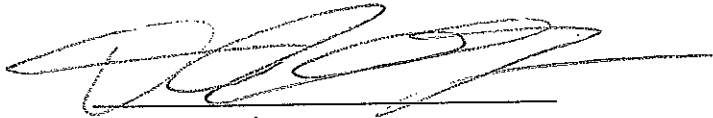
To this end, the MCSD and the DBacks legal team have concluded the customary joint review of the MCSD Construction Manager at Risk contract and related documents, following a timeline that has led to project success in the past.

The MCSD is asking the DBacks to countersign this letter and return it by March 17, 2017, to indicate concurrence with the above scope of work. This letter is not intended to indicate or constitute an agreement or an admission by either party as to any other issues the parties are currently attempting to resolve, but is simply intended to memorialize the parties' concurrence as to the above-described scope of work for the 2017-18 Off Season. We would sincerely appreciate your prompt response, as any delays in the process could adversely affect the ability to get this work done in a timely and orderly manner.

Please feel free to contact me should you have any questions.

Sincerely,

MARICOPA COUNTY STADIUM DISTRICT



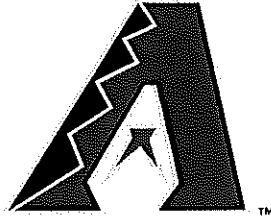
Daren K. Frank
Executive Director Representative

Countersigned:

AZPB LIMITED PARTNERSHIP /
AZPB FM LIMITED PARTNERSHIP

Derrick M. Hall
President and CEO

cc: Denny Barney, Chairman, District 1, MCSD
Steve Chucri, Director, District 2, MCSD
Bill Gates, Director, District 3, MCSD
Clint L. Hickman, Director, District 4, MCSD
Steve Gallardo, Director, District 5, MCSD
Frank McCarroll, Official Record Keeper, MCSD
Joy Rich, Executive Director, MCSD
Daniel Rojas, MCSD



March 9, 2017

Daren K. Frank
Executive Director Representative
Maricopa County Stadium District
401 E. Jefferson Street
Phoenix, Arizona 85004

Dear Mr. Frank:

This letter is in response to your letter dated March 3, 2017, regarding proposed Steel and Concrete Capital Repairs for the 2017-18 off-season. In connection with your request, please provide us with the cost (or, if not yet available, the budget) for the proposed Steel and Concrete Capital Repairs. We would also like to know how you determined these Capital Repairs were needed to be completed this year and what factors you considered in choosing to perform this work as opposed to other (or more extensive) Capital Repairs reflected in the 2013 Facility Assessment Report. We assume you consider that it is critical to the ongoing structural integrity of Chase Field that these repairs be made this year. We also assume you have determined that these repairs take priority over the \$36.9 million of Capital Repairs the Diamondbacks requested in June 2016 (\$14.3 million in fiscal year 2017 and \$22.6 million in fiscal year 2018).

Because there are insufficient resources to meet the immediate Capital Repairs needs of Chase Field and because you are ignoring items such as LED lights, Main Score Board and Control Room replacements, your answers to these questions are important to our ability to make an informed decision about whether to approve these expenditures.

Very truly yours,

Nona M. Lee
Senior Vice President, General Counsel

cc: Derrick M. Hall





April 5, 2017

Nona M. Lee
Senior Vice President, General Counsel
Chase Field
401 E. Jefferson Street
Phoenix, AZ 85004

Re: Steel and Concrete Repairs for 2017-18 Off-Season

Dear Ms. Lee:

I am responding to your March 9, 2017 letter regarding the steel and concrete repairs that have been proposed for the 2017-18 off-season.

To answer your initial question, we do not have an exact cost for the 2017-18 off-season steel and concrete repairs as proposals for this work have not yet been received. However, the estimated budget for such work is \$4 million. This is consistent with the budget/cost for the prior two years, and is the exact figure that Derrick Hall himself proposed in the attachment to his June 28, 2016 letter to me.

Next, your letter asks how we determined that these particular repairs were needed to be completed this year, and what factors we considered in choosing to perform this work as opposed to other work. To be clear, we have not determined that *this particular* steel and concrete repair work needs to be performed in *this particular* off-season. The parties have always been in agreement that (i) the steel and concrete repair work needs to be performed, (ii) for all practical purposes it needs to be performed during the off-season, (iii) the phase of work to be completed in each off-season needs to be appropriately sized so that it can be started and completed within the applicable off-season (so as to not impact seating availability during the season), and (iv) as a result, the work needs to be performed across a number of off-seasons.

As with prior years, the scope of the steel and concrete repairs to be completed during the 2017-18 off-season has been discussed between the District and Diamondbacks staff, and our proposal for steel and concrete repairs for the 2017-18 off-season is consistent with those discussions. We have previously made proposals as to how a modified phasing plan could be advantageous to the Diamondbacks, but the Diamondbacks' preference was to proceed with the 2017-18 off-season work as described in my March 3, 2017 letter to Mr. Hall. If, notwithstanding my prior meetings on this subject with Russ Amaral (VP of Facility Management) and Jim White (Director of Engineering), the Diamondbacks now believe that steel and concrete repairs should be



performed in a different location during the 2017-18 off-season, please advise me as soon as possible. We would be happy to consider and discuss alternative locations for next year's work.

Next, your letter states as follows: "We assume you consider that it is critical to the ongoing structural integrity of Chase Field that these repairs be made this year." As the Diamondbacks know, we do not believe it is critical to the "structural integrity" of Chase Field that these specific repairs be made this specific off-season. We all know that the steel and concrete repairs are or will be needed (whether it be now or in the future at a potentially higher cost), and that a logical phasing plan will be required. I made a sincere effort to draft my March 3rd letter to Mr. Hall in such a way that it would not be perceived as posturing or attempting to obtain some advantage in connection with the ongoing litigation/arbitration between the parties. I would ask that the Diamondbacks approach this issue from the same perspective. To that end, Mr. Amaral and Mr. White will be able to advise you as to what factors were discussed and considered in connection with the proposed location of the 2017-18 off-season work, and why they preferred that such location not be modified.

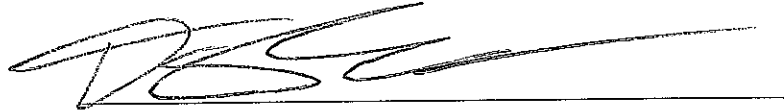
Your letter next references the steel and concrete repairs taking "priority" over the \$36.9 million of capital repairs the Diamondbacks requested in June 2016. I believe you have seen my August 2, 2016 letter to Mr. Hall, in which I pointed out that the majority of the items identified in the attachment to Mr. Hall's June 28, 2016 letter do not actually constitute "Capital Repairs" under the FMA. I understand that the Diamondbacks may attempt to take a contrary position, and that issue will presumably be resolved in the parties' arbitration proceeding. However, there is and has been no dispute as to the steel and concrete repairs that are ongoing, or as to the fact that additional steel and concrete repairs will be needed in the next off-season and beyond. Indeed, Mr. Hall's June 28, 2016 letter to me characterized this very repair work as "necessary" and "agreed to" by the Diamondbacks, and confirmed that the Diamondbacks had "prioritized" \$4 million in such work for the upcoming off-season. It appears that the Diamondbacks are now withholding concurrence on the very steel and concrete repair work that Mr. Hall himself proposed only nine months ago. If concurrence is withheld on this undisputed work, we can only assume it is for purposes of attempting to gain an advantage on other disputed items that we believe fall outside of the scope of "Capital Repairs" (e.g., replacement of fully functional scoreboards, remodeling of "all you can eat" suites, etc.).

Please let me know within ten (10) days of the date of this letter whether the Diamondbacks concur with the scope of steel and concrete repairs planned for the 2017-18 off-season, as described in my March 3, 2017 letter to Mr. Hall. If the Diamondbacks do not provide their concurrence, please (i) articulate the specific reasons why concurrence is being withheld, (ii) describe the scope of work that Mr. Hall was referring to when he referred to \$4 million in "On-Going Structural Repairs" for the 2017-18 off-season in the attachment to his June 28, 2016 letter to me, and (iii) explain the Diamondbacks' position as to whether it is "critical to the ongoing structural integrity of Chase Field" that the proposed steel and concrete repairs (or any other steel and concrete repairs) be made during the upcoming off-season or any other off-season.

If we do not have your written concurrence within ten (10) days of the date of this letter, we will assume that the Diamondbacks do not intend to provide their concurrence, and that the Diamondbacks object to the proposed steel and concrete repairs being completed next off-season. If it would be helpful to have a meeting to discuss these issues in further detail, please contact me immediately so that we can schedule a meeting at the very earliest opportunity so as to not delay completion of this work.

Sincerely,

MARICOPA COUNTY STADIUM DISTRICT

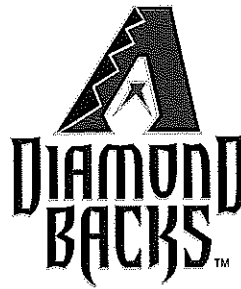
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Daren K. Frank

Executive Director Representative

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April 14, 2017

Via Hand-Delivery Only

Daren Frank
Executive Director Representative
Maricopa County Stadium District
401 East Jefferson
Phoenix, AZ 85004

Re: Steel & Concrete Repair Planned for 2017-18 Off-Season

Dear Mr. Frank:

This letter responds to your letter dated April 5, 2017. Although the District took almost a month to respond to my March 8, 2017 letter, and then demanded that the Diamondbacks' respond in ten (10) days, we believe it is important to respond promptly. To be clear, the Diamondbacks believe that the steel and concrete repair work is critical and should be completed. That is why Russ Amaral and Jim White have been working with the District to move that work forward as expeditiously as possible.

While the Diamondbacks appreciate the District's willingness to proceed with these repairs, the Diamondbacks find extremely frustrating the District's refusal to address the other Capital Repairs that the District itself identified as being necessary in the 2013 Facility Assessment.

In particular, the District's complete refusal to address Capital Repairs that relate to "Fan Experience" is a fundamental breach of the District's duty of good faith. The Diamondbacks' entire business purpose is to provide an exceptional fan experience. Therefore, the District's dismissal of the related Capital Repairs goes to the heart of the consideration for the agreements between the Diamondbacks and the District.

The District's 2013 Facility Assessment details millions of dollars in Capital Repairs that need to be completed. Among these are almost \$37 million in Capital Repairs identified in Derrick Hall's June 28, 2016 letter to you, that should be completed by the end of the 2017 – 2018 season, that the District now ignores. The transparent reason is that the District knows (as it has acknowledged in the past) that the financial reserves are entirely inadequate to make those necessary repairs. Although you accuse the Diamondbacks of litigation posturing, the District's refusal to address this \$37 million is the worst kind of litigation posturing.

PHONE (602) 462 6000 FAX (602) 462 6600

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dbacks.com



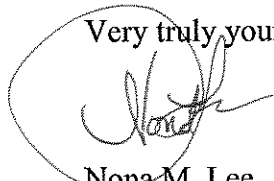
Daren Frank
14 April 2017
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By way of example, you refer to the scoreboards as being “fully functional” and yet the District’s Assessment recommended spending over \$25 million by the end of the 2017–2018 season to replace this scoreboard and related electronic displays, sound systems and control room equipment. This change in position can, again, only be considered litigation posturing.

The District’s claim that these repairs are excluded from the definition because of the obsolescence exclusion is incorrect. That exclusion only applies if any “repairs, replacements or improvements” are “solely the result of functional obsolescence,” which is clearly not the case.

As stated earlier, the Diamondbacks certainly consent to the proposed concrete and steel work, but request that the District address, in good faith, the additional \$37 million in Capital Repairs that the Team requested be concluded by the end of the 2017 – 2018 season, in addition to the additional imminent Capital Repairs identified in the 2013 District Assessment.

Very truly yours,

A handwritten signature in black ink, appearing to read "Nona M. Lee", is enclosed within a hand-drawn oval. The signature is fluid and cursive.

Nona M. Lee
Senior Vice President & General Counsel

cc: Derrick M. Hall