

EXHIBIT A

**PGE Park
Good Neighbor Agreement**

Adopted by Portland City Council

_____, 2010

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PGE PARK GOOD NEIGHBOR AGREEMENT

AMONG: CITY OF PORTLAND,
a municipal corporation of the State of Oregon (the "City")

SHORTSTOP, LLC, a Delaware limited liability company ("Shortstop")

PEREGRINE SPORTS, LLC, a Delaware limited liability company ("Peregrine")

GOOSE HOLLOW FOOTHILLS LEAGUE,
an Oregon not-for-profit corporation,

AND: NORTHWEST DISTRICT ASSOCIATION,
an Oregon not-for-profit corporation

EFFECTIVE DATE: _____, 2010

The Parties hereby agree:

BACKGROUND

- A. The City owns the multi-purpose stadium located at SW 18th Avenue and SW Morrison Street known as PGE Park (the "Stadium").

On May 18, 2000 the Portland Family Entertainment, the Goose Hollow Foothills League, the Northwest District Association and the City of Portland entered into the Civic Stadium Good Neighbor Agreement. A Good Neighbor Agreement is a requirement for PGE Park (formerly Civic Stadium) per City Code Section 33.510.115 (C).

- B. On June 1, 2007, the City approved the acquisition of the team assets and agreements formerly held by PFE to Shortstop LLC a company owned by Merritt Paulson. At that time, Shortstop LLC became party to the Good Neighbor Agreement. Shortstop is the current operator of PGE Park and will remain so until December 31, 2010, the expiration date for the current operating agreement.
- C. In the spring of 2008, Major League Soccer (MLS) announced its intention to take proposals for two additional expansion franchises that would begin play in 2011. Merritt Paulson, as President of Shortstop, LLC, the owner of both the Portland Beavers and Portland Timbers, approached the City and indicated that he wanted to submit a proposal to MLS for one of the expansion franchises. Mr. Paulson formed a new entity, Peregrine Sports LLC, for the MLS project.
- D. On March 20, 2009, MLS announced its conditional approval of an MLS franchise for Portland.
- E. On July 23, 2009, the City Council approved Resolution No. 36717(as amended) that approved a proposed transaction between the City and Peregrine to renovate the Stadium to

accommodate MLS play, and for Peregrine to operate the renovated Stadium for a minimum period of twenty-five years (Term Sheet). The non-binding Term Sheet anticipates Peregrine will enter into a continuation of the Good Neighbor Agreement currently applicable to PGE Park for the duration of its Operating Agreement, subject to potential modifications based on projected attendance at MLS matches.

- F. On the same date, the City Council approved Ordinance No. 183036, authorizing the execution of a Predevelopment Agreement between the City and Peregrine. The Predevelopment Agreement contemplates the City and Peregrine entering into a Redevelopment Agreement for the renovation, and a new PGE Park Operating Agreement, and other necessary documents.
- G. This Good Neighbor Agreement is being executed prior to the closing by Peregrine and the City of a Redevelopment Agreement and a new PGE Park Operating Agreement which pertain to the renovation and enhanced operations of the Stadium. The Redevelopment Agreement requires Peregrine to acquire the MLS franchise for the Portland Timbers. The Portland Beavers will play their home games in the Stadium until the end of the 2010 PCL Baseball schedule. The Portland Timbers will commence MLS play in the Spring of 2011. In addition, the City and Peregrine agree that the Stadium should continue to be available for a variety of uses and to host affordable family entertainment.
- H. The purpose of this Agreement is to assure that the input of neighborhood representatives and nearby property owners will be obtained and will continue to be a vital component in all stages of the planning, redevelopment, construction and operation of the Stadium. The stadium is zoned OS and is within the Central City Plan District. The Central City Plan District allows Major Event Entertainment uses in the OS zone, so long as there is a City Code 33.510.115 c. This Agreement is intended to comply with the requirements of 33.510.115 c.
- I. The Goose Hollow Foothills League and the Northwest District Association are the City recognized neighborhood associations for the areas closest to PGE Park, Stadium.

NOW, THEREFORE, in consideration of the mutual promises of the Parties set forth in this Agreement the Parties agree as follows:

SECTION 1 DEFINITIONS

Defined terms in this Agreement are words that are capitalized and which are not the first word of a sentence. For purposes of this Agreement, the following terms will be defined as follows:

1.1 **"Actual Attendance"** means the actual number of patrons that attend an Event on a given day (or on each day of a Multiple Day Special Event) based upon the turnstile count number which will be certified by Peregrine and the Event promoter, if any, on the day following each Event, which certified statement is subject to audit by the City.

1.2 **"Additional Construction"** means the construction of new improvements at the Stadium, beyond what is contemplated in the 2010 Redevelopment Agreement between the City and Peregrine, where the new improvements have a cost in excess of \$500,000 and where the

new improvements are likely to substantially increase the number of persons coming to the Stadium or change the time during which persons are likely to come to the Stadium.

1.3 **"All Day Music Concert"** means a Music Concert lasting more than six (6) hours in duration but less than eight (8) hours, measured from the time when amplified music or noise begins to the end of the concert when amplified music or noise ceases.

1.4 **"Capacity"** means the actual number of paid admission seats available at an event for sale to the general public.

1.5 **"Closing"** means the date upon which Peregrine records the Memorandum of Operating Agreement pursuant to the Redevelopment Agreement.

1.6 **"Comprehensive Transportation Management Plan" or "CTMP"** means the comprehensive plan prepared by a traffic engineering firm selected by Peregrine and approved by the City which will meet the criteria set forth in Section 3.3.1 of this Agreement and in Section 33.510.115(D) of the Portland City Code.

1.7 **"Community Event"** is an Event hosted by a non-profit organization and approved of as a Community Event by the Oversight Committee.

1.8 **"Event"** means an activity at the Stadium which the general public is entitled to attend upon presentment of a ticket or an activity conducted by an organization which pays a fee to the operator of the Stadium.

1.9 **"Major Event"** means an Event with a Projected Attendance greater than 24,000 spectators.

1.10 **"Multiple Day Special Event"** means a Special Event that lasts for two or three (but not more) consecutive days which has an Actual Attendance in excess of 12,500 per day (excluding ingress and egress dates).

1.11 **"Music Concert"** means an Event featuring amplified musical sound as the primary entertainment feature of the Event. Music Concert does not include incidental musical performances not exceeding one (1) hour in duration, such as half-time shows, school bands, and brief musical entertainment, at Events whose dominant purpose is other than musical entertainment.

1.12 **"Music Festival"** means a series of Music Concerts which last for four or more consecutive days.

1.13 **"Neighborhoods"** means the City recognized neighborhoods that are within the boundaries of the currently identified neighborhoods represented by the Neighborhood Associations.

1.14 **"Neighborhood Associations"** means the following neighborhood associations and their successors provided that they maintain recognized neighborhood association status with the City of Portland: the Goose Hollow Foothills League and the Northwest District Association.

1.15 **"Neighborhood Notice"** means written notice mailed and/or delivered to all addresses and property owners within 1,000 feet of the Stadium, to City recognized neighborhood associations whose boundaries are within 1,000 feet of the Stadium. Notice must also be published in a recognized newspaper. Peregrine is responsible for the notice process and any costs associated with this activity.

1.16 **"Operating Agreement"** means that Operating Agreement between the City and Peregrine which defines and conditions Peregrine's right to operate the Stadium.

1.17 **"Oversight Committee"** means a committee which will include a representative designated by each of the Neighborhood Associations, a representative designated by Peregrine, a representative designated by the City, and a person chosen by the other representatives.

1.18 **"Parties"** means the City, Peregrine, or Peregrine's successors and assignees, and the Neighborhood Associations.

1.19 **"Projected Attendance"** means the number of tickets sold or distributed as of seven (7) days prior to each Special Event plus the number of tickets that Peregrine, in its reasonable estimation, believes will be sold or distributed within the seven (7) days prior to the Special Event and on the day of the Special Event.

1.20 **"Renovation"** means physical improvements to the Stadium to restore, remodel and/or repurpose the Stadium, but excludes maintenance, repair and capital replacements as those terms are defined in the Operating Agreement.

1.21 **"Single Day Special Event"** means a Special Event which occurs on a single day and which has an Actual Attendance in excess of 12,500 people.

1.22 **"Special Event"** means an Event (a Single Day Special Event, a Multiple Day Special Event or a Music Concert) which has an Actual Attendance in excess of 12,500 people on each day of its occurrence; provided, however, the following Events are excluded from the definition of a Special Event: (a) soccer games played by Peregrine's franchisee, (b) Portland State University athletic Events, (c) high school athletic Events, and (d) any Event which is held as a result of the requirement in this Agreement for Peregrine to provide access to the Stadium, up to three times each year, subject to date availability, for use by non-profit organizations to host Community Events.

1.23 **"Violation"** means the non-compliance by Peregrine, or a person or entity that Peregrine has authorized to hold an Event, with an obligation of Peregrine set forth in this Agreement with respect to an Event. There can be multiple Violations for a given Event if Peregrine fails to comply with multiple separate obligations of Peregrine set forth in this Agreement with respect to that Event. All Violations of the same obligation for a given Event shall constitute one Violation. Multiple acts of non-compliance with the same obligation for a given Event shall not constitute separate Violations. For example, if during a concert, the noise exceeded the allowed noise level for four songs, these four instances would constitute one Violation and if Peregrine fails to pick up multiple pieces of litter after an Event that failure should be one violation. For purposes of this definition each day of a multi-day Event shall be considered a separate Event.

SECTION 2 DESIGN AND CONSTRUCTION

2.1 General Design Objectives. The City and Peregrine have agreed that any redevelopment of the Stadium will be on a human and neighborhood scale. The City and Peregrine will endeavor to redevelop and operate the Stadium in such a fashion that it will create a benefit to its neighbors and will not contribute to the deterioration of the quality of life in the Neighborhoods. The historic character and particularly the façade of the Stadium will be maintained to the extent reasonably possible. Any redevelopment or renovation will be designed and maintained recognizing the public value of the interior views of the Stadium from SW Eighteenth Street. Any redevelopment will be conducted in the context of the existing Goose Hollow Community Plan and Station Area Plan, the Central City Design Guidelines, the Goose Hollow District Design Guidelines, and the Northwest District Plan. .

2.2 Community Outreach; Construction Mitigation. Peregrine has agreed to develop a community outreach plan and a construction mitigation plan acceptable to the Oversight Committee and City, and to fund the implementation of such plans, subject to reasonable budget limitations. These plans will be in place at or prior to Closing and implemented during all phases of the redevelopment of the Stadium. A draft of these plans will be submitted to the Neighborhood Associations no later than thirty (30) days prior to commencement of construction. Neighborhood Notice of the availability of these plans through the Neighborhood Associations shall be given at least thirty (30) days prior to the commencement of construction.

2.3 Future Construction. In the event that there is Additional Construction at the Stadium after completion of the 2010-2011 renovation for MLS play, the Oversight Committee, described in Section 4.1 below, may recommend a new community outreach plan and a new construction mitigation plan with respect to the Additional Construction and may recommend changes in this Agreement and the CTMP. If the Oversight Committee recommends a new community outreach plan and a new construction mitigation plan, Peregrine will prepare such plans and submit them to the Oversight Committee and City for approval pursuant to Section 2.2 so that the approved plans are in place prior to commencing Additional Construction.

SECTION 3 OPERATIONS

Shortstop LLC is an affiliate of Peregrine and will continue to operate the Stadium until the term of the existing operating agreement expires on December 31, 2010. Pursuant to the terms and conditions of the new Operating Agreement between the City and Peregrine which is being executed concurrently with this Agreement, Peregrine will assume operating responsibility for the Stadium on January 1, 2011. The new Operating Agreement will not require the Portland Beavers to play baseball games at the Stadium after the 2010 PCL baseball schedule. Therefore, any terms of this Agreement applicable to baseball or the baseball franchise are effective only through December of 2010, and are thereafter deemed void and of no further force or effect. The following provisions pertain to the operation of the Stadium by Shortstop for the remainder of calendar year 2010 and by Peregrine thereafter:

3.1 Event Schedules. On or before March 15 of each calendar year, Peregrine will provide the Neighborhood Associations with a schedule of Events Peregrine anticipates to be held in the Stadium during the coming year. Peregrine will also provide schedule updates to the

Neighborhood Associations when Events are added to or deleted from the schedule. In providing event schedule information to the Neighborhood Associations, Peregrine will highlight any event for which a fireworks display is planned. It will be the obligation of the Neighborhood Associations to provide event schedule information to neighborhood residents and businesses. Peregrine will also develop and implement a plan, acceptable to the Oversight Committee and City, to attempt to coordinate Event scheduling with other nearby facilities (including, but not limited to: churches, the Multnomah Athletic Club, the Town Club, Lincoln High School, the Convention Center, Pioneer Courthouse Square, and the public agencies that schedule major Events in downtown) in order to minimize the impacts of Multiple Day Special Events and Single Day Special Events on nearby Neighborhoods.

3.2 Event Limitations. Peregrine shall schedule Events at the Stadium in compliance with the following limitations. These limitations are summarized on attached Exhibit 3.2. In the event of a conflict between Exhibit 3.2 and the following, the following shall control:

3.2.1 Single Day Special Events. Single Day Special Events are subject to two limitations, each of which operates independently of the other. First, no more than ten (10) Single Day Special Events may be held in any one calendar year. Second, no more than an average of six (6) Single Day Special Events per calendar year may be held each five (5) year segment of the initial term of the Operating Agreement.

3.2.2 Multiple Day Special Events. There are three limitations on Multiple Day Special Events, each of which operates independently of the other. First, no more than six (6) Multiple Day Special Events may be held in any single calendar year. Second, no more than an average of four (4) Multiple Day Special Events per year may be held each five (5) year segment of the initial term of the Operating Agreement. Third, except for Music Festivals, consecutive Multiple Day Special Events shall have at least seven (7) consecutive calendar days between the end of the first Multiple Day Special Event and the start of the next Multiple Day Special Event.

3.2.3 Music Concerts. Music Concerts are subject to several limitations, each of which operates independently of the other. In addition, to the extent a Music Concert also constitutes either a Single Day Special Event or a Multiple Day Special Event, the Music Concert will be subject to the limitations on those types of Events. No more than eight (8) Music Concerts per calendar year will be scheduled. If a Music Concert is a multiple day Event, each day will count as a Music Concert for the purpose of the limitations in the two immediately preceding sentences.

3.2.4 All Day Music Concerts. No more than four (4) All Day Music Concerts may be held in any calendar year. For purposes of Section 3.2.3, an All Day Music Concert is a Music Concert and is subject to the limitations in Section 3.2.3. All Day Music Concerts may not exceed eight (8) hours in duration, measured from the time when amplified music or noise begins to the end of the concert when amplified music or noise ceases.

3.2.5 Music Festivals. No more than one (1) Music Festival may be held in any calendar year. In addition, to the extent any of the concerts in the Music Festival also

constitute a Single Day Special Event, a Multiple Day Special Event, a Music Concert or an All Day Music Concert, the Music Concerts in the Music Festival shall be subject to the limitations on those types of Events. For example, if a four (4) day Music Festival consisted of a series of concerts which on two (2) days lasted less than six (6) hours and on two (2) days more than six (6) hours, then the concerts in that Music Festival would be counted as four (4) Music Concerts and as two (2) All Day Music Concerts. If during such Music Festival attendance on a given day exceeded 12,500; then each day when such attendance occurred would be counted as a Single Day Special Event unless attendance on three (3) consecutive days exceeded 12,500 in which case those three (3) days would be counted as a Multiple Day Special Event.

3.2.6 Major Events. Peregrine may host three major events per year without an event specific notice to the Neighborhoods. In years when there are more than three Major Events, Peregrine will provide notice to the Neighborhoods for these additional Major Events.

3.3 Impact on Neighborhoods and Mitigation. The Parties acknowledge that the operation of the Stadium will have impacts on the nearby Neighborhoods. In addition to the scheduling limitations set forth above in Section 3.2, Peregrine agrees to implement a number of additional measures to minimize impacts on the nearby Neighborhoods. These measures include the following:

3.3.1 Comprehensive Transportation Management Plan. Peregrine is preparing revisions to the Comprehensive Transportation Management Plan prepared and approved in 2000 to reflect the traffic impacts expected from the operation of the Stadium under the new Operating Agreement for MLS play. It is understood that the CTMP will include mitigation steps, based upon recommendations to be received from the Neighborhood Associations and the traffic engineering firm. The Parties also anticipate that the CTMP will include requirements regarding promotion and incentives to encourage patrons to utilize mass transit when attending Events at the Stadium and to discourage on street parking in the nearby Neighborhoods. Enforcement of the area parking permit programs is a significant concern of the neighborhoods. The Portland Bureau of Transportation has committed to meeting with the Oversight Committee to discuss plans and strategies for the enforcement of the parking permit programs in the fall of 2010 and to implement an enforcement plan starting in 2011, the initial MLS season. Approval of the revised CTMP by the City Council and Peregrine will be a condition for Closing.

3.3.2 Noise. Allowed noise levels for the operations of the renovated Stadium have been established. Title 18 of the Portland City Code will continue to apply to activities at the Stadium. Nothing in this Agreement, and specifically nothing in this Section 3.3.2, will supersede the City's noise regulations and their enforcement. Peregrine agrees to conduct noise testing once the renovation of the Stadium is completed to determine changes in noise conditions that result from the Stadium expansion.

3.3.2.1 The City (in its ownership capacity but not its regulatory capacity), Peregrine, and the Neighborhood Associations agree to the noise standards set forth on Exhibit 3.3.2 (the "Noise Standards"). These

Noise Standards set forth maximum sound levels, expressed in dba's for Music Concerts at the Stadium. Peregrine agrees to operate the Stadium so that sound from Music Concerts does not exceed the Noise Standards.

3.3.2.2 Peregrine has a variance from the City's Noise Review Board to allow Music Concerts to produce sound within the Noise Standards ("Noise Variance"). Peregrine will comply with all provisions of the Noise Variance, including application for renewal according to its terms. The Neighborhood Associations support the Noise Variance and its renewal(s) so as to allow the number of concerts allowed under this Agreement.

3.3.2.3 Peregrine, at its cost and expense, agrees to hire an independent acoustician approved of by the Oversight Committee (the "Independent Acoustician"). Peregrine shall cause the Independent Acoustician to measure the sound levels constantly during each Music Concert at a location or locations established by the Oversight Committee or the Noise Review Board (or the City Council on appeal). The Independent Acoustician shall use a sound meter that records sound levels over time and which enables the Independent Acoustician to produce a chart or graph showing sound levels over time in a manner comparable to the Noise Standards. Peregrine shall make accurate copies of those charts or graphs available to the Oversight Committee. Upon the request of the City's Noise Control Officer, Peregrine will make sound level readings during Music Concerts immediately available and will promptly make reports on sound levels during Music Concerts available to the City's Noise Control Officer.

3.3.2.4 Peregrine shall not be liable for a Violation if sound sources outside of the Stadium which are out of the ordinary exceed the Noise Standards. For example, if a fire truck siren is in close proximity to a noise measurement station and causes a violation.

3.3.3 Ticket Sales. The public address system will not be used during non-event times to broadcast ticket sales information to the public. However, Peregrine will be allowed to have ticket sales at the Stadium for same-day Events for reasonable hours consistent with the event. Peregrine will be permitted to have a box office open from 9 a.m. to 7 p.m., Monday through Saturday, if reasonably necessary to accommodate the demand for tickets. Peregrine will at all times take necessary steps to discourage overnight lines at the Stadium for ticket sales and will prohibit overnight "camp outs" at the Stadium in areas which are outside of its exterior walls.

3.3.4 Litter. For all ticketed Events and Community Events, Peregrine will dispatch reasonably sufficient personnel to pick up Event-related litter and debris not later than 24 hours after the time ticket holders are permitted to enter the Stadium for the Event. The area in which litter will be picked up will vary, based on the nature of the Event or Actual Attendance, at the Event as follows:

Actual Attendance

Daily regardless of event activity

All Timbers games and all other events with 10,000 or more attendees

Litter Pick-Up Area

SW 20th, SW Morrison, SW 18th, SW Salmon

NW Flanders, I-405, SW Jefferson St. and SW Vista

The personnel will make a good faith effort to pick up all of the Event related litter and other litter that can be picked up with only minimal incremental effort. Particular attention will be focused on all blocks facing directly across from the Stadium. If Event-related litter should occur in significant amounts beyond the foregoing area, Peregrine will dispatch personnel to retrieve such litter. Peregrine will also place garbage receptacles in close proximity to exit gates at all Events, post signage to encourage the use of such receptacles and, if in use during an Event, display a public service message on Peregrine's reader board reminding patrons to utilize the trash receptacles.

The area surrounding PGE Park may at some future date create a litter program similar to the Clean and Safe program which exists in downtown Portland. If such program is created, then Section 3.3.4 of this Agreement is suspended. Should the neighborhood litter program end during the term of this Agreement, then Peregrine will be obligated to restart the litter program required in this Agreement.

3.3.5 Lighting. Peregrine shall baffle or redirect the lights in order to reduce light pollution. There are also limitations on lighting in Section 3.7 below.

3.3.6 Signs. Peregrine agrees that it will not install electronic signs with moving images and near television quality which are oriented to the public rights-of-way adjacent to the Stadium. Electronic signs to provide text-based event related information that do not involve video or moving images that are oriented to the public rights-of-way would be considered. This provision shall not restrict scoreboards, replays, and electronic signs oriented to the seating areas of the Stadium, even if those may be partially visible from the public rights-of-way. However, Peregrine is still obligated to comply with Portland City Code, Chapter 32.

3.3.7 Aircraft Advertising. Peregrine will not enter into any contract with a party that provides for an aircraft or helicopter to fly over the Stadium and the Neighborhoods for advertising purposes. With respect to an Event, if Peregrine has the legal authority to do so, and if the Event participants are not otherwise required to allow coverage of the Event by blimp or similar aircraft, Peregrine will not allow the Event to have aircraft fly-overs of the Stadium and the Neighborhoods. The City will request that the FAA restrict helicopter flights over the Stadium during Events.

3.4 Communications. Peregrine will establish and publicize a "comment line" telephone number, which will have the technology to receive and record comments from interested persons regarding all aspects of the Stadium's operations. To deal with the possibility of an emergency, a telephone number will be provided in the recorded message for an immediate contact during Events at the Stadium. A log will be maintained of all calls received on the "comment line" in order to document and determine problems (or alleged problems) as they become known. Peregrine will be prepared to discuss the substance of these calls and its responses at periodic meetings of the Oversight Committee.

3.5 Alcohol. Peregrine will adopt and adhere to the Civic Stadium Alcohol Management Policies which are attached as Exhibit 3.5.

3.6 Security. On or before March 1, 2011, Peregrine shall prepare and submit to the Neighborhood Associations a revised security plan for Stadium operations taking into account MLS games and other expected events at the Stadium. The Neighborhood Associations shall have thirty (30) days to review the plan and make recommendations to Peregrine, the Oversight Committee and the City. The revised security plan must consider the following. For all significant events Peregrine must arrange to have Portland Police officers within the stadium in addition to private security officers. Peregrine will maintain a 24 hour security presence and coordinate event security for all Events which occur in the Stadium. Peregrine will work closely with the Portland Police Bureau and other pertinent law enforcement agencies in connection with Events at the Stadium. Security plans will be developed for the time periods immediately preceding an Event, during the Event and for a one hour time period following the Event. Peregrine will investigate and attempt to develop creative approaches to situations involving security concerns related to Events held at the Stadium, whether occurring within the Stadium or in the general vicinity thereof. Peregrine will not eject disorderly patrons from the Stadium without first notifying the Portland Police Bureau and, to the extent and manner allowed by law, holding such disorderly patrons until a police officer arrives.

3.7 Hours of Operation and Logistic Activities. All Events will conclude by 10 p.m., Sunday through Thursday, and by 11 p.m., Friday and Saturday. In those limited instances when sporting Events must continue past 11 p.m., all efforts will be made to minimize noise and lighting impacts on Neighborhoods. Peregrine will use its best efforts, and Peregrine will contractually require Event producers to use their best efforts, to remove all staging, fixtures and other materials related to use in Events prior to 2 a.m., the morning following the Event. Unless otherwise necessitated by Events scheduling considerations, all interior clean-up activities within the Stadium will be conducted during normal working hours. All post-Event clean-up activities will be conducted in a manner to minimize adverse noise and lighting impacts on the Neighborhoods. Peregrine will use its best efforts to cause trucks arriving at and departing from the Stadium to, where possible, use non-residential arterial streets to access the freeway system so as to diminish potential noise in residential areas. All post-Event clean-up activities and stage and equipment demobilization will be conducted with respect to noise and minimal necessary lighting levels. Unless a safety issue, the lighting will be turned off by 11:30 p.m. on Friday and Saturday, or 10:30 p.m. on Sunday through Thursday, or within 30 minutes after the conclusion of an Event. Peregrine will establish methods of communication with the Neighborhood Associations and the owners of property immediately adjacent to the Stadium to notify the same

of required ingress and egress activities relating to Events at the Stadium, where such work is likely to create any significant adverse impacts on adjacent properties.

3.8 Community Use. Up to three (3) times in each calendar year, subject to date availability, Peregrine shall make the Stadium available for use by non-profit organizations to host Community Events. For all Community Events, Peregrine shall make the Stadium available to the non-profit organization for an amount that enables Peregrine to recover only its reasonable and actual out-of-pocket expenses. Peregrine shall provide notice to the Neighborhood Associations and Oversight Committee in advance of any Community Event.

3.9 PSU Football. Peregrine will make the Stadium available for Portland State University football in general accordance with the Operating Agreement.

3.10 Motorized Events. Peregrine shall not allow or permit the use of the Stadium for Events which feature operating motor vehicles, including, but not limited to: car races, tractor pulls, motorcycle races, and monster truck shows.

3.11 High School Football. Peregrine will make the Stadium available for some level of high school football at the Stadium.

3.12 On-site Office Use. The 2010-11 renovation for MLS includes the development of a medical clinic facility at the southeast corner of the PGE Park property. This facility will be used by the tenant teams and will be open to the public. From time to time, the use within this office space may change and as long as the use remains accessory to the primary use of the stadium, then no noticing is required. Accessory to the stadium use means that the team and/or patrons of the stadium come into this area for activities and services related to the team and or to events being held in the stadium. Should the office use change to another office use not related to the primary use, then Peregrine will provide notice to the Neighborhood Associations 60 days in advance of the change and will allow input from the Neighborhood Associations.

SECTION 4 OVERSIGHT AND ENFORCEMENT

4.1 Oversight Committee.

4.1.1 The Oversight Committee was established in 2000 in recognition of the fact that the input of neighborhood representatives is and will continue to be a vital component in all stages of the planning, redevelopment, construction and operation of the Stadium. The Oversight Committee is made up of a representative of the City, a representative of Peregrine, a representative from each of Neighborhood Associations, and a fifth member designated by the four representatives of the Parties. In the event that any person should be unable to perform his or her duties on the Oversight Committee, or should resign from the Oversight Committee, the organization that designated such person shall be responsible for selecting a new person to serve on the Oversight Committee.

4.1.2 The purposes of the Oversight Committee are:

4.1.2.1 to oversee the implementation of the provisions of this Agreement;

- 4.1.2.2 to provide a forum for open communication among the Neighborhood Associations, Peregrine, and the City;
- 4.1.2.3 to provide a mechanism for early identification and voluntary resolution of problems involving the operation of the Stadium insofar as its operation impacts the Neighborhoods;
- 4.1.2.4 to provide reports and recommendations to the City Council, as needed regarding the implementation of this Agreement and any modifications thereof.
- 4.1.2.5 to make recommendations to the City with respect to how the fines referred to in Section 4.3 should be expended to mitigate the impacts of the operations of the Stadium on the Neighborhoods;
- 4.1.2.6 to monitor the implementation of and the efficacy of the CTMP mitigation measures, including reviewing City and Peregrine reports related to the mitigation measures and making recommendations to the City Council with respect to CTMP mitigation measures.

4.1.3 The Oversight Committee shall meet prior to each season to review the event calendar and address any issues and concerns relative to the upcoming season. The Oversight Committee shall also meet at the conclusion of each event season to review event results and consider any issues from the events held that year. The Oversight Committee may hold additional meetings as it deems necessary.

4.1.4 The Oversight Committee shall take action only by the affirmative vote of three (3) of its members. The Oversight Committee shall establish its own written rules of procedure and governance. All meetings of the Oversight Committee shall be preceded by a newspaper notice at least fourteen (14) days in advance. All meetings of the Oversight Committee will be open to the public and at each meeting an amount of time will be set aside for public testimony.

4.1.5 Administrative assistance and staff support will be provided to the Oversight Committee by the City's Office of Management and Finance, including giving Neighborhood Notices.

4.2 Communication. In order to facilitate effective communications among the City, Peregrine, and the Neighborhood Associations, the primary person for communications for each Party shall be the person appointed to the Oversight Committee by that Party.

4.3 Enforcement.

4.3.1 This Agreement is enforceable by the Parties, subject to the limitations in Section 6, below. There are no third party beneficiaries of this Agreement. Persons other than the Parties may seek redress under this Agreement pursuant to Section 4.3.3 below.

4.3.2 In addition to the remedies set forth below, this Agreement may be enforced by injunctive relief, by specific performance, or by damages, through a court of competent jurisdiction.

4.3.3 The City or a Neighborhood Association (based upon a duly adopted resolution) may initiate a claim of a Violation by a written complaint filed with the City's Code Compliance Hearings Officer. The complaint shall specifically identify: the obligation of Peregrine under this Agreement which the complaint claims was violated, the Event involved, the date or dates of the non-compliance, and any facts offered in support of the claim of a Violation. The Code Compliance Hearings Officer shall proceed pursuant to Portland Municipal Code § 22.20.010.A to conduct a hearing to determine if in fact a Violation did occur. The decision of the Code Compliance Hearings Officer may be appealed pursuant to Portland Municipal Code § 22.20.010.B

4.3.4 If a Violation has been established, the Code Compliance Hearings Officer shall impose monetary fines against Peregrine as follows. For the first Violation of an obligation of Peregrine during a given Event in a given calendar year, the fine shall be equal to \$1,000. If a subsequent Violation of the same or substantially the same obligation of Peregrine occurs in subsequent Events during the same calendar year, the fines shall be the following: second Violation - \$2,000; third Violation - \$4,000; fourth Violation - \$6,000; and thereafter, the fine for each subsequent Violation of the same or substantially the same Violation shall increase by \$750. Any fines not paid within thirty (30) days of when due, after any appeals have been exhausted, shall bear interest at the then US Bank prime lending rate plus 10% until paid. In addition to the fines set forth above, the Hearings Office may impose operating conditions designed to avoid future Violations, based upon a recommendation of the Oversight Committee; however, no imposed operating condition may change the provisions of this Agreement. Reduction in the number of Events is exclusively controlled by Section 4.3.5.

4.3.5 If during any calendar year, Peregrine has been found, pursuant to Section 4.3.3, to have committed either: five (5) Violations involving the same obligation of Peregrine or ten (10) Violations of any obligations of Peregrine, then, in addition to the fines allowed pursuant to Section 4.3.4, the Code Compliance Hearings Office may, for that Violation and for each subsequent Violation during that calendar year, reduce by one (1) the number of Events allowed pursuant to Section 3.2.4. Any such reduction(s) shall remain in effect for three (3) years.

4.3.6 Fines assessed pursuant to Section 4.3.4 shall be paid to the City. The City agrees to use the fines to further mitigate the impacts of the Stadium on Neighborhoods. The Oversight Committee shall make recommendations to the City with respect to how the fines should be expended to mitigate the impacts of Civic Stadium on the Neighborhoods.

4.4 Exceptions

The Oversight Committee may recommend to the City Council a process for granting exceptions to the limitations on Events set forth in Section 3.2, subject to the approval of the City Council.

SECTION 5 UPDATING AGREEMENT

At the end the 2011 event season and at the end of each third year thereafter, or upon any Additional Construction, the City, the Oversight Committee and Peregrine shall review and, if necessary, revise this Agreement to address any changes in uses or conditions since the commencement of this Agreement. The purpose of such updating is to spell out any additional mitigation steps that need to be undertaken in the event of undesirable impacts, triggered by clearly agreed upon metrics. In the event new franchises or uses are added to the Stadium, the City Council and Peregrine shall review and, if necessary, revise this Agreement to address any additional impacts which are likely to occur as a result of the new franchise or use. Any amendment to, modification of, or determination not to enforce provisions of this Agreement shall first be submitted to the Neighborhood Associations, preceded by Neighborhood Notice. The Neighborhood Associations shall have thirty (30) days to provide a recommendation to the City Council with respect to such amendment, modification or non-enforcement.

SECTION 6 LIMITATIONS ON ENFORCEMENT

The Oregon Constitution, the City Charter, the ordinances of the City, and common law impose restriction on delegations, directly or indirectly, of the City Council's legislative authority and of its other powers, and, as a result of these legal enactments (which are beyond the control of the current City Council to change) the following limitations on the Neighborhood Associations in their capacity as Parties to this Agreement exist as a matter of law:

6.1 A Neighborhood Association may not institute litigation (except for a claim of a Violation pursuant to Section 4.3) with respect to the interpretation or enforcement of this Agreement, without the prior consent of the City Council.

6.2 No amendment or waiver of the provisions of this agreement by the City shall be effective unless preceded by: written notice to the Neighborhood Associations and the Oversight Committee, a thirty (30) day comment period, and a public hearing before the City Council at which public testimony is allowed; however, the Neighborhood Associations' consent is not required.

6.3 No action of a Neighborhood Association which mandates a budgetary decision by the City Council shall be effective without final action of the City Council.

6.4 No action of a Neighborhood Association which, in the opinion of the City Attorney, conflicts with the Oregon Constitution, the City Charter, the City's ordinances, or common law shall be effective.

6.5 The above limitations only affect the powers of the Neighborhood Associations in their capacity as parties, and do not otherwise affect the Neighborhood Associations.

SECTION 7 CITY COUNCIL ACTION

Whenever this Agreement provides for action or approval by the City Council, then such action or approval shall not occur unless preceded by: Neighborhood Notice, a thirty (30) day comment period, and a public hearing before the City Council at which public testimony is allowed.

SECTION 8 NO LIMITATION ON OTHER RIGHTS

The limitations in Section 6 shall not limit or affect the rights of the Neighborhood Associations or individuals with respect to matters not covered by this Agreement, including, but not limited to, tort claims, land use decisions, zoning code violations, and violations of other City codes.

SECTION 9 COMPLETE AGREEMENT

The Agreement is the complete agreement of the Parties with respect to the matters covered by this Agreement, and this Agreement supersedes and replaces all prior written or oral agreements on the same matters.

SECTION 10 SEVERABILITY

In the event any term of provision of this Agreement is determined by a court of competent jurisdiction to be illegal or unenforceable, then that term or provision shall be severed from this Agreement and the balance of this Agreement shall remain enforceable according to its terms as reasonably interpreted without the illegal or unenforceable term or provision.

SECTION 11 TERM

The term of this Agreement shall begin on the Effective Date which shall be 30 days after approval by the City Council. The end of the term shall be concurrent with the term of the Stadium Operating Agreement between the City of Portland and Peregrine Sports LLC.

The Parties to this Agreement agree that the Good Neighbor Agreement dated May 18, 2000 shall terminate on the effective date of this revised Good Neighbor Agreement.

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- SIGNATURES NEXT PAGE -

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth above.

PEREGRINE Sports, LLC, a Delaware limited liability company

By: _____
Its: _____

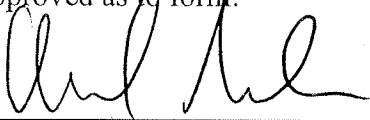
SHORTSTOP LLC, a Delaware limited liability company

BY: _____
Its: _____

CITY OF PORTLAND, OREGON

By: _____
The Honorable Sam Adams, Mayor

Approved as to form:



City Attorney

GOOSE HOLLOW FOOTHILLS LEAGUE

By: _____
Its: _____

NORTHWEST DISTRICT ASSOCIATION

By: _____
Its: _____

EXHIBIT 3.2**EXEMPT EVENTS (no limit on number)**

- All Events which have an actual attendance of less than 12,500 and do not feature amplified musical sound for more than one hour
- Portland Beavers baseball games – 2010 season only
- Soccer games played by Peregrine's franchisee
- PSU athletic events
- High school athletic events
- Events held by non-profit organizations to host community events

LIMITATIONS ON NON-EXEMPT EVENTS

1. Primary Limitation. This limitation is based solely on attendance. All non-exempt Events which exceed 12,499 in actual attendance (including Music Concerts) are defined as "Single Day Special Events." There can be no more than ten of these Events in any calendar year and no more than six in any calendar quarter.

2. Additional Limitations. If an Event is a Music Concert (defined as an Event featuring amplified musical sound as the primary entertainment feature of the Event), additional limitations are imposed. (Note: if a Music Concert has an actual attendance of 12,500 or more the Music Concert counts as a Single Day Special Event and is included in the ten Event per year Single Day Special Event limitation described above under the Primary Limitation heading.) Regardless of attendance, Music Concerts are limited to a total of eight per year.

In addition to the above limitations on Music Concerts, the following additional limitations apply:

- (a) No more than four All Day Music Concerts can be held in any calendar year. (An All Day Music Concert is one lasting more than six hours in duration. In no event can a Music Concert last more than eight hours);
- (b) No more than one Music Festival per year. (A Music Festival is a series of Music Concerts which last for four or more consecutive days.) It is important to note that each day of a Music Festival counts as a Music Concert.

EXHIBIT 3.3.2**NOISE STANDARDS**

The maximum allowable sound levels are:

Noise levels that are less than the 80 dBA as currently set forth in the City of Portland Noise Variance.

EXHIBIT 3.5**ALCOHOL MANAGEMENT POLICIES**

The following policies apply to patrons, as well as to all users of the facilities including employees, promoters, tenants, contractors, exhibitors, and sponsors.

1. The only alcohol permitted on premises is that dispensed by the operator's contracted food services, or allowed by licensee contract. All alcohol not sold on premises by the operator's contracted food services or allowed by licensee contract shall be subject to confiscation.
2. The operator reserves the right to deny ticket sales or admission to, or evict any individual who appears obviously intoxicated.
3. Anyone attempting to smuggle alcoholic beverages into Civic Stadium will not be admitted.
4. All alcohol service will abide by OLCC policies and procedures.
5. Prior to each season, all alcohol vendors and servers will be briefed on Civic Stadium/OLCC alcohol policies and procedures and be required to sign a form confirming that they understand these policies and procedures and that they will assume responsibility for their actions in accordance with these policies and procedures.
6. ID will be checked at each purchase of alcohol for all patrons who are under the age 30.
7. Drink purchase limit will be two per purchase. Patrons are only allowed to have 2 drinks in their possession at a time. This limit may be decreased depending on the event. This will be monitored by usher staff.
8. Alcohol is not be dispensed to intoxicated patrons.
9. Alcohol beverages shall not be sold to, consumed by, or otherwise allowed to be in the possession of a minor.
10. Dispensed alcohol is to be consumed on designated areas and is not to leave Civic Stadium.
11. Stadium Management will stop alcohol sales at events at the following times:

Football:	5 minutes left on clock in 3 rd quarter
Soccer:	20 minutes left on clock in the 2 nd half
Concerts:	30 minutes prior to end of concert
12. Building Management reserves the right to discontinue alcohol service at anytime.