

hereunder, or (ii) the Padres' rights under the lender or vendor agreement are terminated because of the Padres' default thereunder.

2.2.2 In accordance with Section 3.1.3 of this Agreement, any Liens against the Padres Property shall be subject and subordinate to the reversion of the Padres Property of the City (unless otherwise expressly agreed in writing by the City) upon the expiration or termination of this Agreement, and any agreements granting such Liens shall so provide.

2.3 City Suite. The City shall have a right and option to direct the Padres to set aside one (1) Private Suite for use and occupancy by the City throughout the Term (the "City Suite"), on the following terms and conditions:

2.3.1 The option must be exercised by the City not later than one (1) year after the date on which the City delivers the first Project Site Notice to Proceed to Padres Construction, L.P., under the Design-Build Agreement.

2.3.2 If the City timely exercises this option, the Padres, in consultation with the City, shall designate as the City Suite a Private Suite on the Club Level between first-base and third-base with a seating capacity inside and outside of the Suite of not fewer than twenty-two (22) persons. The City Suite shall be no smaller than any other standard configuration Private Suite that is made available to be procured on a licensed basis for a full Baseball Use Season by a Person who is not an Affiliate of the Padres (it being understood that larger suites of facilities designed for banquets, large parties and the like are not to be considered for purposes of

determining the appropriate size of the City Suite pursuant to this paragraph 2.3.2).

2.3.3 If the City exercises its option to have a City Suite, then the City as an owner shall be entitled to one admission ticket for each seat in the City Suite for each Event at the Ballpark Property, including Padres Games and Events, free of charge.

2.3.4 Neither the City Suite, nor the City's right and option set forth in this Section 2.3, shall be assignable by the City to any other Person, directly or indirectly, at any time from the Effective Date until expiration or termination of the Term.

2.4 City Parking. Whether or not the City exercises its option to take a City Suite, and subject to the terms and conditions of this Agreement, the parties hereby agree that, beginning on the Commencement Date and thereafter throughout the Term of this Agreement, there shall be provided to the City the following parking rights (the "City Parking"). The City shall have the right to use and occupy the City Parking free of any obligation to pay parking fees or charges, but the City's use and occupancy shall be subject to such other reasonable rules and regulations as may be adopted from time to time by the manager of the Ballpark Property:

2.4.1 A right to use and occupy 15 VIP parking spaces for all Events at the Ballpark Property, at a location to be designated by the Padres in the immediate vicinity of the Ballpark Structure; and

2.4.2 A right to use and occupy a reasonable number of parking spaces for the reasonable number of full-time City employees working in the City Offices. The parties shall reasonably agree upon the exact number and location of the parking spaces for these City employees on or before the Commencement Date.

2.5 Padres Parking. Subject to the terms and conditions of this Agreement, as of the Commencement Date, the parties hereby agree that throughout the Term of this Agreement, there shall be provided to the Padres a right to use and occupy fifteen (15) VIP parking spaces for all Events at the Ballpark Property, at a location to be designated by the Padres in the immediate vicinity of the Ballpark Structure (the "Padres Parking"); provided, however, that there shall be no favoritism in the location of the Padres Parking compared to the City Parking. The Padres shall have the right to use and occupy the Padres Parking free of any obligation to pay parking fees or charges, but the Padres' use and occupancy shall be subject to other reasonable rules and regulations as may be adopted from time to time by the manager of the Ballpark Property.

2.6 Site Lease, Ballpark Facility Lease, Indenture and MOU.

2.6.1 This Agreement shall be subject and subordinate to all of the terms, covenants, and provisions of the Site Lease, the Ballpark Facility Lease and the Indenture, which are incorporated herein by reference.

2.6.2 The Padres shall have only the rights in respect of the City Property set forth in this Agreement. The Padres acknowledge and agree that it has reviewed all of the terms and conditions of the Site Lease, Ballpark