TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Mandalay Baseball Properties, LLC		04/12/2012	LIMITED LIABILITY COMPANY: DELAWARE

RECEIVING PARTY DATA

Name:	TPG Specialty Lending, Inc., as Collateral Agent
Street Address:	301 Commerce Street, Suite 3300
City:	Fort Worth
State/Country:	TEXAS
Postal Code:	76102
Entity Type:	CORPORATION: DELAWARE

PROPERTY NUMBERS Total: 6

Property Type	Number	Word Mark
Registration Number:	2591192	ERIE SEAWOLVES
Registration Number:	2653618	ERIE SEAWOLVES
Registration Number:	1972640	ERIE SEAWOLVES
Registration Number:	2299810	
Registration Number:	2014831	SEAWOLVES
Registration Number:	2016899	SEAWOLVES

CH $165.00 2591192

CORRESPONDENCE DATA

Fax Number: (404)888-4190
Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.
Phone: 4048884267
Email: dcorey@hunton.com
Correspondent Name: Hunton & Williams LLP
Address Line 1: 600 Peachtree Street NE, Suite 4100
Address Line 2: Attn: Deborah Corey

Address Line 4:	Atlanta, GEORGIA 30308-2216
ATTORNEY DOCKET NUMBER:	78622.4
NAME OF SUBMITTER:	Deborah Corey
Signature:	/Deborah Corey/
Date:	04/13/2012

Total Attachments: 14
source=Mandalay Tdmk Agmt_MBP_2#page1.tif
source=Mandalay Tdmk Agmt_MBP_2#page2.tif
source=Mandalay Tdmk Agmt_MBP_2#page3.tif
source=Mandalay Tdmk Agmt_MBP_2#page4.tif
source=Mandalay Tdmk Agmt_MBP_2#page5.tif
source=Mandalay Tdmk Agmt_MBP_2#page6.tif
source=Mandalay Tdmk Agmt_MBP_2#page7.tif
source=Mandalay Tdmk Agmt_MBP_2#page8.tif
source=Mandalay Tdmk Agmt_MBP_2#page9.tif
source=Mandalay Tdmk Agmt_MBP_2#page10.tif
source=Mandalay Tdmk Agmt_MBP_2#page11.tif
source=Mandalay Tdmk Agmt_MBP_2#page12.tif
source=Mandalay Tdmk Agmt_MBP_2#page13.tif
source=Mandalay Tdmk Agmt_MBP_2#page14.tif

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (this **"Agreement"**) is made and entered into as of April 12, 2012, by MANDALAY BASEBALL PROPERTIES, LLC, a Delaware limited liability company (**"Grantor"**), in favor of TPG SPECIALTY LENDING, INC. (**"TPG"**), as Collateral Agent under the Credit Agreement described below (in such capacity, "**Collateral Agent**").

W I T N E S S E T H:

WHEREAS, pursuant to that certain Credit and Guaranty Agreement, dated as of March 13, 2012, by and among Grantor, the other Credit Parties party thereto from time to time, the Lenders party thereto from time to time, and TPG, as Administrative Agent and Collateral Agent (as amended, restated, supplemented or otherwise modified from time to time, the **"Credit Agreement"**), Lenders have agreed to make the Loans to Borrowers (including Grantor); and

WHEREAS, Lenders are willing to make the Loans as provided for in the Credit Agreement, but only upon the condition, among others, that Grantor shall have executed and delivered to Collateral Agent, for itself and the ratable benefit of Lenders, the Pledge and Security Agreement; and

WHEREAS, pursuant to the Pledge and Security Agreement, Grantor is required to execute and deliver this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Grantor hereby agrees with Collateral Agent as follows:

1. **Defined Terms**. All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Credit Agreement or, if not defined therein, then as defined in the Pledge and Security Agreement.

2. **Grant of Security Interest in Trademark Collateral**. To secure the prompt and complete repayment and performance of the Obligations under the Credit Agreement and other Credit Documents, Grantor hereby grants to Collateral Agent, on behalf of the Secured Parties, a continuing First Priority security interest in all of Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the **"Trademark Collateral"**): (a) all of its Trademarks and Trademark Licenses (other than Excluded Property) to which it is a party including, without limitation, those referred to on Schedule 1 hereto; (b) all reissues, continuations or extensions of the foregoing; (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and Trademark License (other than Excluded Property); and (d) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future: (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License and (ii) injury to the goodwill associated with any Trademark or Trademark licensed under any Trademark License.

3. **Security Agreement**. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Collateral Agent, on behalf of itself and Lenders, pursuant to the Pledge and Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Collateral Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. **Counterparts**. This Agreement may be executed in multiple counterparts (any of which may be delivered by facsimile or other electronic transmission), each of which shall constitute an original and all of which taken together shall constitute one and the same Agreement.

5. **Major League Rules**. The 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 Schedule II hereto (all capitalized terms used in this Section 5 and not otherwise defined herein or in the Credit Agreement or the Pledge and Security Agreement have the meanings given such terms in Rule 54). 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, 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 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 limitation, 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 shall specifically exclude the Stadium Leases, but shall include the rights to payment and proceeds in respect thereof (including, but not limited to, Pledged Revenues), in each case, unless the Secured Party has received the express prior written approval of any exception 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 5 shall be deemed to limit the obligations of any Grantor and/or Credit Party to any Agent, Lender or Secured Party under any Credit Document to which it is a party and the rights of the Agents, Lenders and Secured Parties thereunder which, in either case, are not inconsistent with the provisions of this Section 5.

IN WITNESS WHEREOF, Grantor has caused this Agreement to be executed and delivered by its duly authorized representative as of the date first set forth above.

GRANTOR:

MANDALAY BASEBALL PROPERTIES, LLC

By:_____
Name: Larry Freedman
Title: President

ACCEPTED AND ACKNOWLEDGED BY:

COLLATERAL AGENT:

TPG SPECIALTY LENDING, INC.

By: _____
Name: Michael Fishman
Title: CEO/Authorized Signatory

Schedule 1

REGISTERED TRADEMARKS

TRADEMARK/SERVICE MARK	REGISTRATION NO.	REGISTRATION DATE
ERIE SEAWOLVES	2,591,192	July 9, 2002
ERIE SEAWOLVES	2,653,618	November 26, 2002
ERIE SEAWOLVES	1,972,640	May 7, 1996
ERIE SEAWOLVES	2,299,810	December 14, 1999
SEAWOLVES	2,014,831	November 12, 1996
SEAWOLVES	2,016,899	November 19, 1996

TRADEMARK APPLICATIONS

TRADEMARK/SERVICE MARK	SERIAL NO.	FILING DATE

Schedule II

RULE 54

Rule 54

REGULATION OF MINOR LEAGUE FRANCHISES

(a) APPROVAL OF CONTROL INTEREST TRANSFERS.

(1) No Minor League franchise shall be leased or sublet to any operator other than the actual franchise holder unless approval is granted by its League, the President of its Minor League Association and the Commissioner. No Minor League Club may pledge its franchise (including its protected territorial rights) as security for any indebtedness unless it has first received the prior approval of its League, the President of the Minor League Association and the Commissioner.

(2) No sale, transfer, assignment, gift or bequest (including but not limited to the granting of a security interest) of any interest in a Minor League Club shall occur

without the prior written approval of the President of the Minor League Association. The President of the Minor League Association shall determine whether a proposed transaction constitutes a Control Interest transfer subject to the enhanced review required by this Rule 54, and a determination of such issue by the President of the Minor League Association may not be appealed. The rules of Minor Leagues relating to ownership or Control Interest transfers, whether now existing or hereafter adopted, shall not be affected by this Rule 54 (so long as they are not inconsistent with this Rule 54) and any approval required from the League must be presented in writing to the President of the Minor League Association prior to his or her consideration. The term "Control Interest" is defined as the power or authority directly or indirectly to influence substantially the management policies of a Club. No approval under this Rule 54 is required for sales or transfers of Control Interests occurring pursuant to the terms of any written contract, option or right of first refusal executed on or before October 24, 1990.

(3) A Minor League Club must notify the Commissioner or the Commissioner's designee, the President of its Minor League Association and its League President, and provide to all three a detailed written description, of any Regulated Transaction in which the Minor League Club proposes to participate. Any written document memorializing the negotiations concerning the proposed Regulated Transaction (including a non-binding memorandum of understanding or a letter of intent) also must be disclosed as part of the required written description. If the President of the Minor League Association concludes that these documents do not contain adequate data, the President may require the submission of additional information in determining whether the proposed Regulated Transaction amounts to a "Control Interest" transfer. A "Regulated Transaction" is defined to include:

(A) sales or transfers of equity interests;

(B) loan agreements;

(C) stadium leases;

(D) television or radio rights sales;

(E) concession contracts having a potential duration of more than one year (including any options or renewals);

(F) naming rights agreements; and

(G) any contract having a potential duration (including any options or renewals) of five years or longer.

A material failure to make disclosures or furnish information required under this Rule 54 may, at the discretion of the President of the Minor League Association, result in the transaction being rendered null and void and will subject the Minor League Club or its owner to such fines or other penalties as the President of the Minor League Association may impose. The Commissioner and the Commissioner's designee, the President of the Minor League Association and the League Presidents shall treat the disclosures required by this Rule 54 as confidential information.

(4) If the President of the Minor League Association determines that a proposed Regulated Transaction may involve a Control Interest transfer, the President shall so notify the Minor League Club and its League, and the Minor League Club must provide the following information.

(A) In the case of a Control Interest transfer involving the transfer of an equity interest:

(i) A non-refundable processing fee of $5,000 payable to the Minor League Association which may be waived if the President of the Minor League Association determines that the security investigation required by this Rule 54 has already been performed;

(ii) The proposed organizational structure of the entity that will own and operate the Club;

(iii) The names of all persons who will have an equity interest in the proposed ownership entity, the names of the individuals who will play active management roles, and the name of the individual who will have ultimate authority to act on all Club matters;

(iv) Biographical information on all persons who will have an equity interest in the proposed ownership entity and/or play an active management role on behalf of the Club, together with any release necessary to enable the Commissioner's Office (Security Division) and the President of the Minor League Association to conduct security investigations;

(v) A proposed three-year operating budget, and business plans and operating policies for the initial three years of new ownership;

(vi) As to each individual who will have a direct or indirect ownership interest of five percent or more, or who will have a Control Interest regardless of his or her ownership share, the most recent personal financial statement available or, if that is not available, his or her most recently filed personal federal income tax return and all attachments to the return;

(vii) If the acquiring entity is some enterprise other than a natural person, its audited (if available) or unaudited financial statements (including year-end balance sheets and statements of income) for the two most recent fiscal years, and the names of all partners, directors or principals in such entity;

(viii) Each potential owner (individual, corporate or otherwise) must identify any other enterprises or businesses in which he, she or it has an ownership interest of greater than five percent; in addition, all such potential owners must identify all professional sports, broadcasting, entertainment, cable or similar enterprises and any gambling-related businesses or enterprises in which such a person has any ownership or management interest, or is a trustee or director;

(ix) A detailed description of the sources of all financing that will be required to effect the proposed transaction, including the names of all lenders and underwriters and copies of commitment letters from the lenders and underwriters; and,

(x) Any additional information that the President of the Minor League Association may reasonably request.

(B) In the case of a Control Interest transfer other than a transfer of an equity interest, such information about the transaction or the parties as the President of the Minor League Association may reasonably request.

(5) After receiving the required information, and obtaining any required League approval, the President of the Minor League Association shall review the information and issue a decision as promptly as permitted by the circumstances. In determining whether to approve a proposed transfer, the President of the Minor League Association shall be guided by the following principles:

(A) Responsibility and Accountability. All proposed new owners must adopt business policies consistent with sound fiscal management. There also must be clearly designated persons within the ownership structure who are

accountable to the Commissioner and the President of the Minor League Association for the operation of the Club and for compliance with all applicable Baseball rules. A single person must be identified as being able to exercise control of the franchise and being responsible for and able to make all Club decisions. That individual must represent that he or she will participate actively in the operation of the Club and will regularly attend Minor League and Minor League Association meetings.

(B) Conflicts of Interest. The President of the Minor League Association may disapprove any Control Interest transfers that involve actual or potential conflicts of interest. Among other things, the President of the Minor League Association may consider the following factors in determining whether a proposed transaction presents an actual or potential conflict of interest.

(i) Forms of Organization. The President of the Minor League Association may disapprove any form of ownership or business organization that may be subject to statutory or regulatory restrictions inconsistent with sound operation of a baseball franchise. (For example, some types of government ownership or non-profit ownership might have legal restraints that would prevent or impede sound operations.)

(ii) Broadcasting Interests. The President of the Minor League Association may disapprove a transaction involving a broadcasting interest if the President determines that the proposed transaction may threaten the ability of the Minor Leagues and their Clubs or the Major League Clubs to market their broadcasting rights in an orderly manner.

(iii) Cross-Ownership and Agents. The President of the Minor League Association may disapprove the transfer of a Control Interest in a Minor League Club to a Major League Club that has a PDC with another Minor League Club in the same League. Similarly, the President may disapprove the transfer of a Control Interest in a Minor League Club to any entity that has an ownership interest in another Club in the same League. Further, the President of the Minor League Association may disapprove a transfer of a Control Interest in a Minor League Club to an entity that owns other Minor League Club interests if the President of the Minor League Association concludes that the transfer may create conflicts within the Minor League Association or the Minor League Association Board of Trustees, or if assets of one franchise are pledged to secure indebtedness incurred to purchase an interest in another franchise. Finally, the President of the Minor

League Association may disapprove the transfer of an ownership interest in a Minor League Club to persons having agency relationships with players, owners or other employees of Major or Minor League Clubs.

(C) Financial Viability. All proposed new owners of Minor League Clubs must demonstrate to the satisfaction of the President of the Minor League Association that the franchise:

(i) Has and can maintain an equity-to-liabilities ratio of at least 55 to 45.

(ii) Has a ratio of current assets to current liabilities of at least 1.0 after any injection of capital by the new owner.

(iii) Has prepared Cash Budgets, Pro Forma Sources and Uses of Funds Statements, Pro Forma Financial Statements, or a business plan based on reasonable assumptions that shows the franchise will be able to fund the three-year operating budget described in Rule 54(a)(4)(A)(v).

(iv) In determining equity-to-liabilities ratio, the following rules apply:

(aa) Non-current baseball assets are reflected in the calculations at the greater of the amount reported in the Club's financial statement or $4,000,000 (AAA), $2,500,000 (AA), $1,000,000 (A) and $750,000 (Short A/Rookie).

(bb) All deferred revenues are excluded from the ratio calculation. This is accomplished by reducing both assets and liabilities by the amount of deferred revenues reported.

(cc) For non-current, non-baseball assets, where appraisals are not available, historical cost is used as the basis of the asset.

(dd) Debt incurred for stadium acquisition or improvements (including video displays, scoreboards, etc.) is excluded from liabilities in the calculations.

(ee) Loans or advances from stockholders, partners, etc. are considered to be equity and, therefore, are excluded from liabilities in the calculations.

(ff) Loans or advances to stockholders, partners, etc. are considered to be equity reductions and, therefore, excluded from assets in the calculations unless it can be demonstrated by the Club that the amounts will be repaid within a reasonable time period. In these instances, the loans or advances will be considered non-current, non-baseball assets for 55-to-45 purposes.

(D) Subsidiary or Family Relationships. In determining whether to approve a Control Interest transfer, the President of the Minor League Association may consider whether ownership of a Minor League Club by a corporate subsidiary or relative of another owner might create a conflict of interest or is otherwise not conducive to sound operations. The President of the Minor League Association also may disapprove the transfer of a Control Interest in a Minor League Club to a relative of a person who would be subject to disapproval under this Rule 54.

(E) Local Ownership and/or Management. A prospective new owner of a Minor League Club also must establish that the franchise would be owned and/or managed by individuals with strong ties to the local community. This local ownership and/or management is necessary to assure an adequate local playing facility, solid fan support and long-term local government support. Moreover, the local ties of the new owner must be such that he or she has a strong interest in maintaining the stability of the franchise in its existing location. Any intent to relocate the franchise also must be stated.

(F) Gambling Interests. The President of the Minor League Association shall disapprove any transfer of any interest in a Minor League Club to a person or entity that has any ownership interest whether direct or indirect, or as sole proprietor, shareholder, member, general or limited partner, trustee, trust beneficiary, or other beneficial owner, management ties to or relationships that create an appearance of ownership or control of (including, without limitation, landlord-tenant relationships) Legalized Gaming Enterprises (as defined in this Rule 54(a)(5)(F)). Notwithstanding the foregoing, such prohibition shall not be applicable to any investment interest in a Legalized Gaming Enterprise or Permitted Lottery (as defined in this Rule 54(a)(5)(F)) that does not represent in excess of 1% of any class of securities (or class of other ownership interests) of such entity. In addition, such prohibition shall not apply to the breeding and ownership of racehorses.

The foregoing exceptions set forth in this Rule 54(a)(5)(F) shall not apply to any Legalized Gaming Enterprises that allow, or are seeking to allow, betting on professional or amateur sports or any other game that involves or refers to professional or amateur sports in any manner. As used in this Rule 54(a)(5)(F) and in Rule 54(a)(6):

(i) "Legalized Gaming Enterprises" shall include all entities that are engaged, directly or indirectly, in legalized gambling operations, including, without limitation, casinos, jai alai frontons, horse or dog race tracks, off-track betting organizations, gaming enterprises operating on riverboats and Indian reservations, and bingo parlors, as well as all entities or governmental authorities that own, operate, oversee or otherwise exercise any ownership or managerial control over any such entity (but shall not include "Permitted Lotteries," as defined in Rule 54(a)(5)(F)(ii)); and

(ii) "Permitted Lotteries" shall include any federal, state or provincial lottery that does not offer, promote or have any involvement, whether direct or indirect, in any form of sports betting.

(6) No Minor League Club, nor any owner (whether direct or indirect, or as sole proprietor, shareholder, member, general or limited partner, trustee, trust beneficiary, or other beneficial owner), officers, directors or employees (whether full-time, part-time or seasonal) of a Minor League Club shall acquire or maintain an ownership interest in, management ties to or relationships that create an appearance of ownership or control of (including, without limitation, landlord-tenant relationships) Legalized Gaming Enterprises. Notwithstanding the foregoing, such prohibition shall not be applicable to any investment interest in a Legalized Gaming Enterprise or Permitted Lottery that does not represent in excess of 1% of any class of securities (or class of other ownership interests) of such entity. In addition, such prohibition shall not apply to the breeding and ownership of racehorses. The foregoing exceptions set forth in this Rule 54(a)(6) shall not apply to any Legalized Gaming Enterprises that allow, or are seeking to allow, betting on professional or amateur sports or any other game that involves or refers to professional or amateur sports in any manner. "Legalized Gaming Enterprise" and "Permitted Lottery" are defined in Rule 54(a)(5)(F) (Gambling Interests).

(7) If the President of the Minor League Association determines that a proposed Regulated Transaction involves the transfer of an equity interest but is not a Control Interest transfer, the President of the Minor League Association shall require the Minor League Club to provide such information about the potential

non-Control Interest owner or owners that the President of the Minor League Association shall reasonably request, which shall include, but not be limited to, the information described in Rules 54(a)(4)(A)(iii), (iv), (vi), (vii), (viii) and (x).

(8) Authority of the Commissioner. In recognition of the interest of Major League Baseball in the sound operations of Minor League Clubs, the President of the Minor League Association shall furnish the Commissioner or the Commissioner's designee all documents and other information related to a proposed Regulated Transaction requested by the Commissioner or the Commissioner's designee and shall consult with the Commissioner or the Commissioner's designee before making a decision on the question of approving such a transfer. The Commissioner and the Commissioner's designee shall treat such documents and other information as confidential except that they may be disclosed to the Major League Club party to a PDC with the Minor League Club involved in the proposed transfer. The Commissioner or the Commissioner's designee may disapprove a Regulated Transaction approved by the President of the Minor League Association if the Commissioner or the Commissioner's designee previously had recommended that the President of the Minor League Association disapprove the Regulated Transaction, or may reverse a decision by the President of the Minor League Association that a Regulated Transaction is not a Control Interest transfer, if in either case the Commissioner or the Commissioner's designee concludes that

(A) the President of the Minor League Association failed in some material respect to adhere to the review and approval procedures in this Rule 54;

(B) the President of the Minor League Association abused his or her discretion in applying the standards in this Rule 54 governing review and approval of Regulated Transactions or in determining that a Regulated Transaction is not a Control Interest transfer; or

(C) a failure to subject a Regulated Transaction to the Control Interest transfer disclosure and review procedures in this Rule 54 is not in the best interests of Baseball or the Regulated Transaction itself is not in the best interests of Baseball.

If the Commissioner or the Commissioner's designee disapproves a Regulated Transaction or reverses a decision that a Regulated Transaction is not a Control Interest transfer under this Rule 54, the Commissioner or the Commissioner's designee shall do so in writing as promptly as permitted by the circumstances and explaining the bases for such disapproval or reversal. The Commissioner or the Commissioner's designee shall be deemed to have approved the transaction if such

disapproval or reversal, as the case may be, is not delivered, by facsimile or otherwise, to the Minor League Association within

(D) 30 days, in the case of a Regulated Transaction that is not a Control Interest transaction, or

(E) 60 days, in the case of a Control Interest transaction,

as measured from the time that the Commissioner or the Commissioner's designee receives complete information in regard to the proposed Regulated Transaction (including the approval of the Minor League Association, in the case of a Regulated Transaction that is not a Control Interest transaction, or written notice from the Minor League Association that it is prepared to approve the transaction, in the case of a Control Interest transaction), unless a request for an extension of time is granted. The Minor League Association shall grant requests for reasonable extensions of time when the Commissioner or the Commissioner's designee makes good faith requests (i.e., requests not made for purposes of delay) to the President of the National Association for extensions of time based upon the need for more information, the existence of unusual circumstances (which may or may not relate to the particular transaction being considered) or other good cause. In exercising authority under this Rule 54, the Commissioner and the Commissioner's designee shall act in good faith and shall endeavor to preserve the full value of Minor League franchises.

(b) MONITORING CONTINUED FINANCIAL VIABILITY OF MINOR LEAGUE CLUBS.

(1) Disclosures of "Control Interest" Transactions. Each Minor League Club must provide the President of the Minor League Association with copies of all loan agreements, stadium leases, television or radio rights contracts, concession contracts having a potential duration of more than one year (including any options or renewals) and all contracts having a potential duration of five years or longer (including any options or renewals). In addition, all Minor League Clubs must provide the President of the Minor League Association with copies of all contracts involving a potential sale of an equity interest.

(2) Disclosures of Ownership Interests. Each Minor League Club annually must provide the Commissioner and the President of its Minor League Association with completed forms prescribed by agreement of the Commissioner and the President of the Minor League Association for reporting business ownership interest information on all persons or entities having an ownership interest in the franchise. The information disclosed shall include the extent of ownership interests in all

professional baseball franchises and all business activities outside professional baseball but would not require the disclosure of personal financial information beyond the extent of such ownership interests.

(3) Maintenance of Sound Equity-to-Liabilities Ratios. Each Minor League Club annually must provide the Commissioner and the President of its Minor League Association with documentation establishing its equity-to-liabilities ratio. If the disclosed equity-to-liabilities ratio (as defined in Rule 54(a)(5)(C)(iv)) is less than 55 to 45, then the franchise is not in compliance with this Rule 54. The President of the Minor League Association shall calculate the level of the noncompliance and order a pro rata reduction of the level of noncompliance over a period which shall be no longer than three years. A failure at any point during this period to make a scheduled pro rata reduction in the equity-to-liabilities ratio shall subject the franchise to the penalties provided in this Rule 54 if compliance is not achieved within 60 days after notice of such failure.

(4) Annual Financial Disclosures. Within 90 days of the close of its fiscal year, each Minor League Club annually must disclose the financial information described in this Rule 54(b)(4) to the persons or entities specified in this Rule 54(b)(4) (except as the Commissioner may waive such disclosures if and to the extent the Commissioner determines that uniform and adequate disclosures may be achieved in some less onerous manner).

(A) Audited Financial Statements. At the Commissioner's request, a Minor League Club shall cooperate in the preparation (by a firm of Certified Public Accountants selected by the Commissioner) of an audited financial statement covering the Club's operations for the fiscal year that includes the most recent championship season. As part of its obligation to cooperate with the firm of Certified Public Accountants selected by the Commissioner, the Minor League Club shall prepare a financial statement and provide the firm with access to all of its financial books, records and other relevant documents, including but not limited to the following:

- general ledger
- payroll registers
- cash receipts and disbursements journals
- tax returns, for past three years
- leases
- debt agreements (including lines of credit, letters of credit, etc.)
- employment contracts
- payroll tax information
- television and radio broadcast contracts

- pension and profit sharing agreements
- advertising agreements
- fixed asset records including leaseholds
- barter arrangements
- all insurance contracts
- concession agreements
- naming rights agreements
- bank statements
- accounts receivable registers
- support for real estate and property tax assessments
- agreements with municipality regarding stadium use
- travel and entertainment detail
- contracts and details regarding arrangements with owners and other related parties
- minutes of board of directors, stockholders and board committee meetings
- letter(s) from outside counsel regarding legal status
- purchase and sales commitments
- stadium suite contracts
- parking contracts
- details of Club ownership
- supporting documentation for expenditures made by Club
- results of year-end physical inventory, with documentation
- ticket manifests
- box office settlement sheets

Upon completion, the audited financial statement shall be submitted to the Commissioner, the President of the Club's Minor League Association and the Minor League Club and shall be kept confidential by the persons or entities to which they are disclosed. The cost of auditing the financial statement shall be borne entirely by the Office of the Commissioner. If the Commissioner requests an audit of an individual Minor League Club, the Commissioner also shall request audits of all other Clubs in the League.

(B) Standard Financial Reports. All Minor League Clubs also shall submit standard financial reports on the form appended to these Rules as Attachment 54 to the Commissioner and the President of its Minor League Association. The Commissioner may prepare consolidated statements (without names of particular Clubs) from the standard financial reports and may disclose the consolidated statements to Minor Leagues, and to Major and Minor League Clubs, but not to the public.

(5) Penalties for Noncompliance. A Minor League Club that fails to make any disclosure or scheduled pro-rata reduction required by this Rule 54 in a timely manner shall be fined and/or subjected to such other penalties as the President of the Minor League Association may determine are appropriate, including but not limited to a fine assessed against such Club or its Owner in an amount not in excess of $50,000. In cases of failures to comply that are promptly cured, the President of the Minor League Association may waive the imposition of such fines or penalties. In any case of repeated failures or a single egregious failure, the President of the Minor League Association may, after investigation, order the Owner to divest his or her interest in the franchise. The Commissioner may act to impose a fine or penalty, that the Commissioner deems appropriate, if the Commissioner concludes in good faith that the President of the Minor League Association abused his or her discretion in enforcing compliance with the requirements of this Rule 54.