

February 23, 2023

Via Email (jvanderpool@anaheim.net)

Mr. James Vanderpool City Manager City of Anaheim 200 South Anaheim Blvd. Anaheim, California 92805

Re: Amended and Restated Lease Agreement (the "Lease") dated as of May 15, 1996 by and between The California Angels L.P. predecessor in interest to Angels Baseball LP (the "Tenant") and City of Anaheim (the "City")

Dear Mr. Vanderpool:

As you know, Angels Baseball LP assumed the Lease from an affiliate of The Walt Disney Company as part of the purchase of Angels Baseball in 2003. Angel Stadium is the fourth oldest ballpark in Major League Baseball and the Tenant's focus has always been to maintain the stadium in accordance with the Lease while providing a high-quality fan experience.

According to the City Council Agenda Report dated November 15, 2022, it was recommended that "in anticipation of potential litigation, to issue a Request for Proposal (RFP) for a full property condition assessment report of Angel Stadium in accordance with the 1996 Lease obligation for it to be maintained at a level at least equal to the first class professional baseball stadiums." As the City initiates the RFP process, it is important that any RFP be limited to and be for the purposes permitted in the Lease. The scope of the RFP issued on February 15, 2023 in a number of instances seeks costs estimates, assessments, and opinions for matters such as renovations, capital improvements, and system upgrades which are far beyond the Tenant's obligations under the Lease.

It is our understanding that the companies interested in the RFP process will be coming for a Site Visit/Tour on Monday, February 27 at 9am PST. We respectfully request that any Site Visit/Tour is postponed until the RFP has been revised to comply with the Lease.

Having provided this background, we would like to correct some of the misconceptions concerning what the Lease requires regarding maintenance of the stadium.

First, the November 15th Agenda Report mischaracterizes the maintenance standard set forth in the Lease. Section 10(a) of the Lease provides that the Tenant is required to "maintain the Baseball Stadium in good condition and repair, subject to ordinary wear and tear." The reference in Section 10(a) to "first class professional baseball stadiums" is made solely to identify by way of example the standard of maintenance (as opposed to the condition) of first class professional baseball stadiums in May 1996, such as Kansas City and Dodger stadiums: "the standard of maintenance to which Tenant will adhere in the maintenance of the Baseball Stadium will be at least equal to first class professional baseball stadiums, such as, on the date hereof, Kansas City and Dodger stadiums, taking into account the age and design of such stadiums; provided, however, that Tenant will not be required to upgrade equipment and systems....in order to remain state of the art with other stadiums..."



Second, Angels Baseball as the Tenant has complied with its maintenance obligations under the Lease and has continuously operated the stadium in compliance with Major League Baseball standards. Contrary to the misleading financial information contained in the October 25, 2022 City Council Agenda Report, throughout the term of the Lease, the Tenant has invested over \$182 million into the stadium and has paid to the City over \$28 million in threshold rent payments with the latest check of \$847,461 delivered on January 31, 2023. As required, the Tenant has provided to the City, on an annual basis, its list of the capital repairs and improvements made from the Reserve Fund (as defined in the Lease), and the City has approved such expenditures. Furthermore, as you are aware, the Tenant is also complying with the City's post December 31, 2022 reasonable right of approval for the expenditures of the Capital Reserve, and the City's communications with the Tenant are ongoing with respect to this process.

Angels Baseball takes its rights and obligations under the Lease very seriously. For nearly three decades the Tenant has invested in the stadium to create a high-quality fan experience and the Tenant will continue its efforts to maintain it throughout the remainder of the Lease.

The Tenant reserves, without any waiver, all rights and remedies under the Lease, at law and in equity.

Respectfully,

John Carpino President

Cc: Ashleigh Aitken, Mayor of Anaheim

City Council

Robert Fabela, City Attorney



CITY OF ANAHEIM OFFICE OF THE CITY MANAGER

February 24, 2023

John Carpino, President Angels Baseball 2000 Gene Autry Way Anaheim CA, 92806

Dear Mr. Carpino:

This responds to your letter of February 23, regarding your request that the City postpone its site visit scheduled for Monday, February 27. The City respectfully declines your request and plans to conduct a reasonable site visit as originally planned.

The site tour is intended to offer prospective bidders a chance to see the stadium in person to better understand the size and scope of the site, and to help foster more accurate bids for a project that is necessary to ensure the City is receiving the benefit of the Stadium Lease. We intend to engage in a simple walk-through of the stadium to see all the major spaces. There is no intent to examine every nook and cranny of the property, and we estimate that the walk-through will last no more than a couple of hours. We invite Angels personnel to join the tour, as we believe that would be most beneficial. However, with simple access, Convention, Sport and Entertainment Executive Director Tom Morton can lead a self-guided tour.

As you know, the Lease states that the City "shall at all times have a right of access to the Stadium Site for any exercise of its police powers or to exercise any right or remedy provided in this Lease." In addition, the Lease, like all contracts, implies a covenant of good faith and fair dealing, meaning neither party can do anything which will have the effect of destroying or injuring the right of the other party to receive the benefits of the lease.

The site visit was scheduled to ensure that it would not impact any Stadium events, and the Angels have been aware of the site visit for weeks. You have not claimed that the site visit will cause any unreasonable disruption – and we cannot imagine that it will – so we see no reason to reschedule the tour at this time.

In light of the above, Executive Director Morton will plan to be on the Stadium site on Monday February 27, at 9am to assist with the tour. We trust that the Angels staff will cooperate in this effort.

Sincerely,

200 S. ANAHEIM BLVD. SUITE 733 ANAHEIM, CA 92805

TEL (714) 765-5162 FAX (714) 766-5164

www.anaheim.net

Jim Vanderpool City Manager City of Anaheim

From:

Robert Fabela

Sent:

Sunday, February 26, 2023 6:34 PM

To:

Rabinovich, Marina

Cc:

'Carpino, John'; Jim Vanderpool; Jolly, Molly; chips

Tom Morton

Subject: Attachments: Re: [EXTERNAL] Response to Jim Vanderpool's February 24, 2023 Letter 2.26.23 RF to MRabinovich Ltr 2.pdf

Thank you Ms. Rabinovich.

My response is attached.

Robert Fabela

City Attorney City of Anaheim (714) 765-5169 x5339

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ADED OF

City of Anaheim

OFFICE OF THE CITY ATTORNEY

February 26, 2023

Via email at marina.rabinovich@afslaw.com

Marina Rabinovich ArentFox Schiff, LLP 1185 Avenue of the Americas, Suite 3000 New York, New York 10036

Dear Ms. Rabinovich:

This responds to your letter of February 26 objecting to the City's site visit scheduled for tomorrow, February 27 at 9 am.

The City disagrees with your claim that our site visit is inconsistent with the terms of the Lease, or that efforts to ensure that the City's asset is being properly maintained pursuant to the terms of the Lease is not a "legitimate purpose." Furthermore, your cite to Article 6(m) relating to the City's inspection rights when your client's predecessor in interest engaged in stadium renovations in the 1990s is misplaced. There is no indication that the City would lose all access rights thereafter, as that would be inconsistent with other provisions of the Lease, as well as common law.

The City must also strongly object to your assertion that the City's site visit constitutes harassment, is retaliatory, or an arbitrary and capricious use of power by the City. In fact, for several years, the City and Angels Baseball have continued to work cooperatively to successfully implement all of the terms of the Lease. Be assured that it is the City's intention to continue to do so.

As previously detailed in our letter dated February 23, the site visit is intended to offer prospective consultants to the City a walk-through of the Stadium Site. We invite Angels Baseball personnel to join the tour, as we do believe that would be most beneficial. However, Executive Director Tom Morton will lead a self-guided tour if that is your client's preference.

Sincerely,

ROBERT FABELA, CITY ATTORNEY

By: /s/ Robert Fabela

ROBERT FABELA
City Attorney

February 26, 2023 Page 2

Cc:

Jim Vanderpool, City Manager John Carpino, President, Angels Baseball



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DIRECT

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February 26, 2023

VIA EMAIL

(RFabela@anaheim.net)

Robert Fabela
City Attorney
City of Anaheim
200 South Anaheim Boulevard
Anaheim, California 92805

Re:

Amended and Restated Lease Agreement (the "Lease") dated as of May 15, 1996 by and between The California Angels L.P. predecessor in interest to Angels Baseball LP (the "Tenant") and City of Anaheim (the "City")

Dear Mr. Fabela:

We are counsel to Angels Baseball LP ("ABLP").

This responds to Jim Vanderpool's February 24, 2023 letter to ABLP denying ABLP's request to postpone a site visit pursuant to the City's RFP issued on February 15, 2023, which the City Council authorized on or about November 15, 2022 "in anticipation of potential litigation."

ABLP continues to object to the actions being taken by the City for a number of reasons including the following:

- (i) The November 15, 2022 resolution authorizing the issuance of an RFP in "anticipation of potential litigation," the scope of the RFP, and the demand for access pursuant to the RFP violate the rights and privileges granted to Tenant by the Lease, are not for a legitimate purpose under the Lease, constitute harassment, are retaliatory against ABLP, and are an arbitrary and capricious use of power by the City;
- (ii) The City contractually agreed to limit its rights of access by not including in the Lease the usual and customary provision that would allow landlord to access the premises for inspections and repairs as the City reserved the right of access only for inspections during Stadium Renovations (as defined in the Lease) pursuant to Article 6(m) of the Lease. The rights of access under the Lease through which the City purports to access the property here the "exercise of police powers or to exercise any right or remedy provided in this Lease" do not comport with the purpose for access pursuant to the RFP in question; and



(iii) The scope of the RFP seeks cost estimates, assessments, and opinions for matters such as renovations, capital improvements, and system upgrades which are not the Tenant's obligations under the Lease. In addition, the RFP asks the bidders to provide legal opinions and conclusions concerning Tenant's obligations under the Lease which they are not qualified to give.

ABLP has met all of its obligations under the Lease. ABLP would vigorously contest any allegations or suggestions to the contrary.

ABLP reserves, without any waiver, all rights and remedies under the Lease, at law and in equity.

Very truly yours,

L. Rhawl

Marina Rabinovich

cc: John Carpino

Matthew B. Mock, Esq. Nick J.G. Sanchez, Esq.









4 People

Message Mon, Jan 23 at 2:47 PM

John Carpino

Moreno Family To Continue Ownership After Exploratory Process

JANUARY 23, 2023 - Today Angels Baseball announced that the Moreno Family is ending the exploratory process to sell the team and will continue ownership throughout the 2023 Season and beyond.

"During this process, it became clear that we have unfinished business and feel we can make a positive impact on the future of the team and the fan experience. This offseason we committed to a franchise record player payroll and still want to accomplish our goal of bringing a World Series Championship back to our fans. We are excited about this next chapter of Angels Baseball' said Angels Owner Arte Moreno.

"Despite strong buyer interest in the Angels, Arte Moreno's love of the game is most important to him. I am very pleased that the Moreno Family has decided to continue owning the team," said Major League Baseball Commissioner Rob Manfred.

"We are grateful to Galatioto Sports Partners for their outstanding efforts throughout the process that allowed us to meet with a number of highly qualified individuals and groups who expressed strong interest in the Club. However, as discussions advanced and began to crystallize, we realized our hearts remain with the Angels, and we are not ready to part ways with the fans, players, and our employees," continued Moreno.

I wanted to send this to you ahead of the media.
Please reach out with any questions.





































February 24th.

Sun, Feb 26 at 3:21 PM

John Carpino

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Marina Kaleneristi

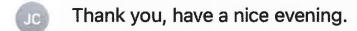
Adapters & Moch Co.

Sun, Feb 26 at 6:35 PM

John - I just cc'd you on my response to Ms. Rabinovich.

Sun, Feb 26 at 8:38 PM

John Carpino



























3:48 ... LTE



JC





2 People

John Carpino

Rob, You will be receiving correspondence early this afternoon from our counsel in regards to Jim's letter dated February 24th.



John Carpino

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ABLP continues to object to the actions being taken by the City for a signifier of exactor including the following:

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Marina Rahusesuch



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Sun, Feb 26 at 6:35 PM

John - Liust cc'd vou on my























