

FRANCIS L. FERGUSON
President

720 East Wisconsin Avenue, Milwaukee, Wisconsin 53202

October 17, 1969

Milwaukee Brewers Baseball Club, Inc.
735 North Water Street
Milwaukee, Wisconsin 53202

Attention: Mr. Edmund B. Fitzgerald

Gentlemen:

You have informed us of your plan to purchase the Seattle Pilots Baseball Club ("the Club") and to move it to Milwaukee. We are pleased to advise you that our Finance Committee at its meeting today authorized us to participate in the financing of your plan, upon the following terms and conditions:

1. Purchase price and total financing: The assets of the Club will be purchased from Pacific Northwest Sports, Inc. ("Pacific") for a price of \$10.8 million of which \$10.3 million will be paid in cash at the closing and the balance will be evidenced by your non-interest bearing note for \$500 thousand payable to Pacific in monthly installments from the end of the 1st to 12th months following closing. Funds in the amount of \$11.25 million will be provided at the closing by (i) a cash equity contribution of \$4 million by your shareholders, \$2 million for common stock and \$2 million for preferred stock; (ii) an unsecured term loan of \$3 million from Sports Services, Inc., payable in annual installments of \$250 thousand each during the 3rd through the 14th years of operation, with an interest rate 1/2% above prime adjustable every 90 days during the term of the loan, such loan to be subordinated to our loan in a manner satisfactory to us; (iii) an advance payment of \$750 thousand from Majestic Advertising Company for the first year of a 5-year contract for radio-TV rights, and (iv) our \$3.5 million secured term loan, all as more fully set forth in the "Notes to Financial Plan" dated October 15, 1969, which you submitted to us. In addition to the foregoing a \$1 million line of credit has been arranged at the First Wisconsin National Bank, which will be secured by up to \$500 thousand of radio-TV contract revenue and a subordination of amounts otherwise available for redemption of the preferred stock.

2. NML term loan: Our loan, in the total amount of \$3.5 million will be advanced at the closing of the purchase of the assets of the Club and will bear interest at the rate of 9% per annum, payable semi-annually; will be payable in annual installments of \$250 thousand each on the 7th through 20th anniversaries of the closing. The loan will be secured by a first and prior claim, under arrangements satisfactory to us, with respect to the Club's player contracts, American League franchise, Milwaukee County Stadium lease, concession revenue and radio-TV revenue, subject to the rights of the First Wisconsin National Bank.

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In general, your cash flow will be deemed to mean your net income after all charges except depreciation or amortization of player contracts and other intangibles and any deferred taxes as a result thereof, minus required payments on our loan (exclusive of any prepayments which may come about as a result of the foregoing prepayment provisions) and the loan of Sports Services, Inc., or any such other loan as may be substituted therefor. In addition, any borrowings from the First Wisconsin National Bank under the above mentioned line of credit shall not be deemed cash flow either for purposes of the preferred stock redemption provisions or for purposes of our loan prepayments.

3. NML stock option: We will have the option at any time through the end of the 10th year of the term of our loan to acquire a 10% common stock interest for a total price of \$500 thousand payable at the end of the 10th year in cash or, if we elect, by cancellation of a like principal amount of our loan allocated ratably over the last five installments then remaining or over all the installments if less than five are then remaining. This option will be protected against dilution and will not be impaired by prepayment of our loan.

4. Other terms of NML loan: The terms of our loan will be embodied in a loan agreement with you which will contain provisions for optional prepayment of our loan, restrictions on dividends, stock retirements, mergers and transfers of property (which are not intended to restrict your dealing with player contracts in the ordinary course of business) stock ownership, other protective covenants and default provisions, mutually satisfactory to you and us. We contemplate that all prepayments will be at par and will be applied on the loan installments in inverse order of maturity except that an optional prepayment may be applied in anticipation of the installment falling due during the ensuing twelve months.

The dividend and stock retirement restrictions will not, however, prevent you from retiring the preferred stock to the extent that amounts paid in retirement do not exceed one-half of your cash flow computed on a cumulative basis beginning with the fiscal year ending October 31, 1970. The definition of cash flow shall be the same as that provided in paragraph 2 above.

The dividend and stock retirement restrictions will not, however, prevent you from retiring the preferred stock to the extent that amounts paid in retirement do not exceed one-half of your cash flow computed on a cumulative basis beginning with the fiscal year ending October 31, 1970. The definition of cash flow shall be the same as that provided in paragraph 2 above.

5. Conditions of NML loan: The closing of our loan will be subject to absence of default under our loan agreement with you and under your other financing and to compliance to our satisfaction with the following conditions:

(i) You will concurrently acquire the Club in accordance with your plan, including all player contracts and the American League franchise, and you will have obtained all necessary approvals for such acquisition and the transfer of the franchise to Milwaukee;

(ii) The remainder of the total financing, the radio-TV contract with Majestic Advertising Company (under which Jos. Schlitz Brewing Co. will be the principal obligor) and the concession arrangements will have

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• Also, among the presentations to Governor Lincoln, Bob Holman
on the 11th day, 1861, a copy of the "History of the State of New York,"

been consummated as outlined in the aforesaid "Notes to Financial Plan";

(iii) You will have entered into a 25-year lease of Milwaukee County Stadium with terms as set forth in the resolution adopted by the Milwaukee County Board of Supervisors on November 14, 1967, File No. 65-943;

(iv) The ownership of your capital stock shall be generally as described in your October 15, 1969 Financial Forecasts with such changes as may be approved by us; and

(v) There shall be no litigation pending or threatened which could prevent or materially interfere with the transfer of the Club to Milwaukee or the carrying out of your plan, except litigation which in the opinion of counsel is without merit. It is understood that this condition does not apply to any litigation as to which you are adequately indemnified, where the relief being sought could not in the opinion of counsel prevent or materially interfere with the transfer of the Club to Milwaukee or the carrying out of your plan.

6. Legal matters: All documents and proceedings with respect to your plan, including without limitation the purchase contract with Pacific, the lease of the Milwaukee County Stadium and the loan arrangement with Sports Services, Inc. shall be satisfactory to our Law Department. It is contemplated that the firm of Brady, Tyrrell, Cotter & Cutler will act as counsel in this matter for you and us. However, we reserve the right to retain special counsel at your expense to represent us with respect to any aspect of this matter.

7. Term of our commitment: It is contemplated that the closing referred to above will occur on or about January 1, 1970 and our commitment hereunder will expire if such closing has not taken place by the close of business on February 28, 1970.

If the foregoing meets with your approval, please indicate your acceptance by signing and returning the enclosed copy of this letter. Upon acceptance of this commitment, you are authorized to disclose the same to such interested persons as you may deem advisable.

Very truly yours,

THE NORTHWESTERN MUTUAL LIFE
INSURANCE COMPANY

By _____
President

Accepted: _____, October _____, 1969

MILWAUKEE BREWERS BASEBALL CLUB, INC.

By _____

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