

Exhibit A

Legal Description

**Description of
Lot 1
PNC Park Plan No. 1**

All that certain lot or parcel of ground situate in the 22nd Ward of the City of Pittsburgh, Allegheny County, Pennsylvania, as laid out on the PNC PARK PLAN No. 1, to be recorded in the Office of the Recorder of Deeds for Allegheny County, and being more particularly bounded and described as follows:

Beginning at a point of curvature on the southerly line of West General Robinson Street, as laid out on the PNC PARK PLAN NO. 1, said point being at the westerly end of the right-of-way return from West General Robinson Street to Federal Street, thence along the right-of-way return by a line curving to the right, having a radius of 9.00 feet, an arc distance of 14.14 feet to a point of tangency on the westerly line of Federal Street, the chord of said line being South 58° 25' 30" East a distance of 12.74 feet; thence along the westerly line of Federal Street,

South 13° 25' 54" East a distance of 388.16 feet to an angle point in the said line; thence continuing along the westerly line of Federal Street,

S 22° 56' 28" East a distance of 47.72 feet to a point, thence S 13° 28' 09" East a distance of 26.89 feet to a point; thence continuing along the westerly line of Federal Street,

North 76° 31' 51" East a distance of 1.10 feet to a point; thence continuing along the westerly line of Federal Street and lands of the City of Pittsburgh,

South 16° 14' 58" East a distance of 80.21 feet to a point near a pier of the Roberto Clemente Bridge (formerly 6th Street Bridge); thence around the said pier,

South 73° 34' 49" West a distance of 8.03 feet to a point;

South 28° 19' 10" West a distance of 3.10 feet to a point;

South 10° 35' 41" East a distance of 5.50 feet to a point;

South 51° 20' 16" East a distance of 3.67 feet to a point;

North 76° 32' 27" East a distance of 8.64 feet to a point; thence along the line of lands of the City of Pittsburgh,

South 16° 19' 51" East a distance of 38.17 feet to a point; thence generally along the North Shore of the Allegheny River the following courses and distances.

South 17° 49' 22" West a distance of 17.84 feet;

South 51° 37' 22" West a distance of 39.00 feet;

South 63° 15' 22" West a distance of 41.50 feet;

South 73° 30' 22" West a distance of 64.00 feet;

South 54° 51' 52" West a distance of 69.00 feet;

South 61° 39' 52" West a distance of 80.00 feet;

South 70° 15' 22" West a distance of 204.00 feet;

South 81° 31' 30" West a distance of 87.63 feet;

South 62° 49' 22" West a distance of 23.35 feet;

South 83° 34' 59" West a distance of 33.62 feet;

South 76° 43' 41" West a distance of 79.97 feet;

South 82° 40' 57" West a distance of 144.58 feet;

South 13° 57' 28" East a distance of 18.00 feet;

South 78° 24' 46" West a distance of 111.21 feet;

South 16° 38' 21" West a distance of 7.23 feet;

South 77° 02' 14" West a distance of 67.98 feet;

North 46° 32' 20" West a distance of 13.04 feet to a point on the line of lands of the City of Pittsburgh; thence along the line of the City of Pittsburgh,

North 13° 12' 39" West a distance of 105.05 feet to a point on the southerly line of North Shore Drive; thence along the southerly line of North Shore Drive,

North 77° 00' 00" East a distance of 40.84 feet to a point; thence along the southerly line of North Shore Drive and continuing along the easterly line of the Stadium Drive East,

by a non tangent line curving to the left, having a radius of 75.50 feet an arc distance of 287.29 feet to a point (the chord of said line being North 31° 33' 04" East a distance of 142.76 feet) to a point on the easterly line of Stadium Drive East, thence along the easterly line of Stadium Drive East;

North 13° 28' 09" West a distance of 185.82 feet to a point, thence N 76° 31' 25" East, a distance of 1.25 feet; thence continuing along Stadium Drive East, N 13° 28' 09" West, a distance of 284.99 feet to a point on the easterly line of the Stadium Drive East and the southerly line of West General Robinson Street, by a line curving to the right, having a radius of 24.00 feet, an arc distance of 37.70 feet to a point of tangency on the southerly line of West General Robinson Street, the chord of said line being North 31° 31' 51" East a distance of 33.94 feet; thence along the southerly line of West General Robinson Street,

North 76° 31' 51" East a distance of 858.36 feet to a point of curvature, the place of beginning.

Containing an area of 640,420.25 square feet or 14.70 acres.

Excluding therefrom, however, those areas shown on Exhibit B and identified as "areas to be conveyed to the City of Pittsburgh", which areas will, following completion of construction of the Ballpark, be conveyed by the Authority to the City.

Exhibit B

Site Plan

EXHIBIT C

Form of Acknowledgment of Commencement Date

Acknowledgement of Commencement Date

Made this _____ day of _____, 200__, by and between:

SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH AND ALLEGHENY COUNTY, a body corporate and politic ("Authority")

and

PITTSBURGH ASSOCIATES, a Pennsylvania limited partnership ("Team").

By this instrument the parties acknowledge that the "Commencement Date", as defined in Section 3.1 of that certain Lease Agreement between the parties executed on June ____, 2000, is _____ 200__.

WITNESS the due execution hereof:

ATTEST/WITNESS:

SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH AND ALLEGHENY COUNTY

By: _____
Title:

By: _____
Title:

PITTSBURGH ASSOCIATES

By: Pittsburgh Baseball, Inc.,
Its general partner

By: _____
Title:

By: _____
Title:

Exhibit D

Form of River Rescue Sublease

SUBLEASE

THIS SUBLEASE ("Sublease"), is made and entered into as of the ____ day of _____, 200__, between **PITTSBURGH ASSOCIATES**, a Pennsylvania limited partnership d/b/a the Pittsburgh Pirates ("Team") and the **CITY OF PITTSBURGH**, a body corporate and politic, and a Second Class City of the Commonwealth of Pennsylvania ("City");

RECITALS:

A. By Lease executed on _____, 2000, the Sports & Exhibition Authority of Pittsburgh and Allegheny County, a body corporate and politic ("Authority"), leased certain premises located in the Twenty-Second (22nd) Ward of the City of Pittsburgh, Allegheny County, Pennsylvania (the "Premises") to the Team (which Lease is referred to in this Sublease as the "Main Lease").

B. The Team and the Authority [are presently constructing][have constructed] a baseball stadium containing approximately 38,000 seats on the Premises (which baseball stadium is referred to in this Sublease as "PNC Park").

C. A complete and correct copy of the Main Lease is attached to this Sublease as Exhibit A, and the consent of the Authority to the execution and delivery of this Sublease is attached hereto as Exhibit B.

D. In connection with the development and construction of PNC Park, an existing building owned by the City and used as a facility by the City of Pittsburgh River Rescue Unit ("River Rescue") has been demolished.

E. The Team desires to sublease to the City, and the City desires to accept and sublease from the Team, a portion of the Premises, as described below (the premises that are subject to this Sublease are referred to in this Sublease as the "Sublet Premises"), for the use and occupancy of River Rescue.

Now therefore, in consideration of the Sublet Premises, and intending to be legally bound hereby, Team and City covenant and agree as follows:

1. Sublet Premises. The Team hereby subleases to the City, and the City hereby accepts and subleases from the Team, the Sublet Premises, containing approximately two thousand (2000) square feet of rentable area, to be located at ground level, in the southeasterly corner of PNC Park in close proximity to the existing dock and boathouse used by River Rescue, together with four (4) parking spaces for use of the City at a location to be determined, in reasonable proximity to the Sublet Premises, and one (1) additional parking space immediately adjacent to the Sublet Premises. A drawing showing the approximate location of the Sublet Premises, together with the approximate location of the adjacent parking space, is attached hereto as Exhibit C, which Exhibit is incorporated herein by this reference. At all times during the Term, the City will have convenient and unobstructed access between the Sublet Premises and the existing River Rescue dock and boathouse located on and along the Allegheny River,

EXHIBIT D

provided that vehicular access to and from the River Rescue dock and boathouse will be separately arranged between the Authority and the City.

2. Term. The term of this Sublease shall be contiguous with the term of the Main Lease, and shall begin on the Commencement Date (as defined in the Main Lease), and end on October 30, 2030 (the "Term"). If at any time during the Term, the Main Lease is terminated, this Sublease will continue in effect as either a direct Lease with the Authority or as a Sublease with a successor landlord.

3. Rent. Rent shall be payable in advance for the full Term in the amount of One Dollar (\$1.00) per year, payable in full upon execution of this Sublease in the amount of \$29.50, the receipt of which is hereby acknowledged.

4. City's Duty of Repair. The City will keep the interior of the Sublet Premises, including without limitation, interior walls, floors, carpet, ceiling, and electrical, HVAC and plumbing fixtures located solely within the Sublet Premises, clean and in good working order, condition and repair, in material compliance with all applicable building, fire, health, safety, environmental and similar laws, codes, ordinances and regulations, reasonable wear and tear excepted.

5. Team's Duty of Repair. Team will maintain, for the benefit of the Sublet Premises and PNC Park, all building systems, including without limitation, HVAC, mechanical, plumbing and electrical systems (except to the extent required to be maintained by the City pursuant to paragraph 4 above), the structure, exterior walls and all roofs, in good order, condition and repair, in material compliance with all applicable building, fire, health, safety, environmental and similar laws, codes, ordinances and regulations, and further in compliance with all requirements of the Main Lease. The Team reserves the right to enter the Sublet Premises at reasonable times for the purpose of making such repairs, and for the purpose of providing the services required to be provided by the Team hereunder.

6. Utilities and Services. The Team will furnish to the Sublet Premises, at its sole cost and expense, gas, electric, water and sewage service, including heat and air conditioning (with separate controls servicing only the Sublet Premises), at such times as are required to maintain a reasonable level of comfort in the Sublet Premises, in any case sufficient to maintain an ambient temperature at all times during cold weather months of not less than 68 degrees Fahrenheit, and during warm weather months of not more than 75 degrees Fahrenheit. The plumbing, electrical and HVAC system servicing the Sublet Premises will be part of the same systems that service offices, locker rooms or other facilities within PNC Park. In addition, the Team will furnish the same services, without cost to the City, such as security and janitorial services, as are furnished to the offices of the Team within PNC Park. The City will pay the cost of telephone and other communication services to the Sublet Premises.

7. Improvements to Sublet Premises. The Sublet Premises will be improved, at no cost to the City, and as part of the construction of PNC Park, to specifications approved by the City and the Authority; and upon completion, the Sublet Premises will include, without limitation, (i) male and female locker rooms, which will each contain ten (10) lockers, two (2)

showers, one (1) toilet and two (2) lavatories; and (ii) a kitchen, which will contain spaces for a range with exhaust hood, a two (2) bowl stainless steel sink, with usable countertop, microwave oven, standard size refrigerator, and adequate base and wall cabinets. Notwithstanding the foregoing, Team shall have no obligation to provide or maintain any appliances for the Sublet Premises.. Any remaining space not required for other purposes shall be configured and constructed as a personal lounge area.

8. Existing Boat Launch Ramp. The existing boat launch ramp, appurtenant to the existing River Rescue building that will be demolished in connection with the construction of PNC Park, may be left intact at its current location, but if the City and/or the Authority determines that this boat launch ramp should be relocated the relocation shall be done at the cost of the City or the Authority and at no cost to Team, and the timing of relocation, and replacement and construction specifications must be approved in advance in writing by the City.

9. Renovations and Alterations to Sublet Premises. The City shall have the right, in its discretion and at its cost, to make renovations, alterations and improvements from time to time during the Term, to adapt the Sublet Premises to the needs of River Rescue, or any other public safety entity of the City then using the Sublet Premises. In addition, at all times following execution of this Lease, and during the Term, the City will have reasonable access to such portions of PNC Park as may be reasonably necessary or desirable in connection with the installation of communications facilities, or the maintenance, repair or replacement of mechanical, plumbing, electrical or HVAC fixtures located solely within the Sublet Premises for its intended purposes. All alterations, additions, repairs, replacements and improvements made to or upon the Sublet Premises shall be deemed to be part of the Sublet Premises and shall become the property of Team (or the Authority) upon the expiration or termination of this Sublease; provided, however, that any machinery, furnishings, trade fixtures, equipment and other personal property installed by the City shall at all times remain the property of the City, and may be removed, modified or replaced from time to time during the term of this Sublease and upon expiration of the Term; provided further that the construction of such alterations, renovations and improvements shall not interfere with or detract from, in any material respect, normal operations at PNC Park.

10. Fire or Other Casualty. If the Sublet Premises are damaged or destroyed by fire or other casualty so as to cause a material alteration in the character of the Sublet Premises and to prevent the City from using the Sublet Premises in substantially the manner contemplated by this Sublease, the City may, in its sole discretion, terminate this Sublease by the giving of written notice to the Team. Notwithstanding the foregoing, if any portion of the remainder of PNC Park is damaged or destroyed by fire or other casualty, the restoration of the Sublet Premises may be coordinated with reconstruction of the balance of the portions of PNC Park to be restored.

11. Surrender of Sublet Premises. At the expiration of the Term, City shall peaceably surrender the Sublet Premises, and all additions made thereto, except as hereinbefore provided, in good order, condition and repair, reasonable use, wear and tear and damage by fire or other casualty or by condemnation excepted.

12. Use of Sublet Premises. The Sublet Premises shall be used as a facility for the operations of River Rescue, or for other public safety use, by the City of Pittsburgh. The City will, in its use and occupancy of the Sublet Premises, comply in all material respects with all laws, codes, ordinances, and regulations of any governmental authority having jurisdiction over the Sublet Premises.

13. Insurance. Policies of fire and casualty insurance relating to PNC Park, and purchased by the Team as required under the terms of the Main Lease, will include coverage for the Sublet Premises, provided that the Team will have no duty to insure against loss or damage to any personal property, furnishings, machinery, equipment or trade fixtures, owned by the City. The Team will furnish evidence of the existence of such insurance to the City at such times as evidence of insurance is required to be furnished to the Authority pursuant to the Main Lease. The City will maintain such insurance on its personal property, including furnishings, machinery, equipment and trade fixtures, located at the Sublet Premises, as the City determines to be appropriate, or the City may at its option elect to be self-insured.

14. Compliance with Main Lease. This Sublease is subject and subordinate to the Main Lease. The Team and the City will not do, nor permit to be done, anything which will result in the occurrence of any default, or "Event of Default" (as so defined) under the Main Lease.

15. Events of Default. The following shall constitute an "Event of Default" under this Sublease: The City's violation or failure to perform or observe any covenant or condition of this Sublease, which failure or violation shall continue for a period of sixty (60) days after receipt of written notice to the City by the Team identifying with particularity the failure or violation; provided however, if such failure or violation is susceptible to cure but is not capable of being cured within such sixty (60) day period, there shall exist no Event of Default provided that the City promptly advises the Team of the City's intention to duly institute all steps necessary to cure such default, and the City commences cure of such failure or violation within a reasonable time thereafter, and diligently pursues such cure to completion. Following the occurrence of an Event of Default, and after the expiration of any applicable grace or cure period, the Team may assert such rights, and exercise such remedies, as are available to the Team under the laws of the Commonwealth of Pennsylvania.

16. Liens. The City shall keep the Sublet Premises free from, and shall hold the Team harmless against, all liens incurred or permitted by the City, or its agents, contractors, subcontractors or suppliers. The City shall cause any such lien to be paid, bonded or otherwise discharged within thirty (30) days of having been entered, and if the City fails to do so, the Team may, following not less than fifteen (15) days prior written notice to the City, cause such lien to be discharged by such means as the Team deems to be appropriate, and the City shall promptly reimburse the Team for all costs and expenses incurred by the Team in connection therewith.

17. Limited Liability. Notwithstanding any term or provision of this Sublease or of the Main Lease to the contrary, the Team shall not be liable to the City, or to any of its elected or appointed officials, agents, employees, servants, or invitees, for any injury or damage to any

person or property due to the condition or design of, or any defect which may exist within, the Sublet Premises, or any mechanical, plumbing, electrical or HVAC systems, or for any damage to the personal property or fixtures of the City except to the extent that any such injury or damage is caused by the negligence or fault of Team, or its agents, contractors, servants or employees.

18. Quiet Enjoyment. As long as the City remains in occupancy of the Sublet Premises, and is not in default in any of its obligations hereunder, the Team covenants that City shall quietly and peaceably hold and enjoy the Sublet Premises, subject to the terms of this Sublease and the Main Lease.

19. Assignment and Subletting. The City may not assign this Sublease, or further sublet the Sublet Premises, either in whole or in part, without the prior written consent of Team, provided that the City may use the Sublet Premises for limited purposes other than River Rescue as set forth in Section 12 above. Consent to one assignment or subletting will not be deemed a consent to any other.

20. Notices. Any notices required to be sent hereunder shall be hand delivered or sent by certified mail to the following addresses:

TEAM: Pittsburgh Associates
PNC Park
115 Federal Street
Pittsburgh, PA 15212
Attention: Richard J. Freeman

CITY: City of Pittsburgh
313 City-County Building
Pittsburgh, PA 15219

Attention: City Solicitor

21. Counterparts. This Sublease may be executed and delivered in counterparts, each of which shall be deemed to be an original and both of which, taken together, shall be deemed to be one and the same Sublease.

22. Miscellaneous. (i) The entire understanding between the parties with respect to the subject matter hereof is set out in this Sublease. (ii) This Sublease supersedes and voids all prior proposals, letters and agreements, oral or written, and no modification or alteration of this Sublease shall be effective unless evidenced by an instrument in writing signed by both parties. (iii) The law of the Commonwealth of Pennsylvania shall be applicable. (iv) All of the terms, covenants, and conditions hereof shall be binding upon and inure to the benefit of the successors, and assigns of the parties hereto.

[remainder of the page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be duly executed for the purposes contained herein.

TEAM:

PITTSBURGH ASSOCIATES

By: _____
Title: _____

CITY:

THE CITY OF PITTSBURGH

Mayor

Examined by:

Director, Department of General Services

Deputy City Solicitor

Director, Department of Finance

Approved as to form:

City Solicitor

Countersigned:

Deputy City Solicitor

EXHIBIT A

Main Lease

EXHIBIT B

Consent of Authority

The Sports & Exhibition Authority of Pittsburgh and Allegheny County, as Landlord under the Main Lease, hereby consents to the execution and delivery of the foregoing Sublease by and between Pittsburgh Associates and the City of Pittsburgh, and hereby agrees to the terms of the foregoing Sublease.

SPORTS & EXHIBITION
AUTHORITY OF
PITTSBURGH AND ALLEGHENY
COUNTY

ATTEST:

BY: _____

ASSISTANT SECRETARY

BY: _____

TITLE:

EXHIBIT C
DRAWING SHOWING SUBLET PREMISES

Exhibit E

Permitted Encumbrances

1. Matters shown on Subdivision Plan consolidating the lots comprising the Site, to be recorded.
2. Ten foot sewer line crossing the Site, as evidenced by instruments of record, subject to restrictions contained in the Development Agreement.
3. Five foot sewer line crossing the Site, as evidenced by instruments of record, subject to restrictions contained in the Development Agreement.
4. Easements and rights of way for water, sewer, electric, gas and communication facilities and services, necessary to the construction and operation of the Ballpark/Stadium, subject to joint approval of Team/Developer and Authority/Owner.
5. Rights of the City of Pittsburgh River Rescue Unit pursuant to a Sublease, to be executed.
6. Terms and conditions of the Lease, Development Agreement and other Related Agreements.
7. Rights of the public in streets and sidewalks adjoining the Site to the extent such streets and sidewalks remain either during or after construction of the project.
8. Applicable zoning, subdivision and land use requirements.
9. Rights of the public, and public authorities, relating to use of the Allegheny River, adjoining the Site, subject to rights granted to Team/Developer pursuant to the Related Agreements.

EXHIBIT F

Form of Memorandum of Lease

Memorandum of Lease

Made this ____ day of _____, 2000

Name and Address of Lessor:

Sports & Exhibition Authority of Pittsburgh
and Allegheny County
425 Sixth Avenue, Suite 1410
Pittsburgh, PA 15219

Name and Address of Lessee:

Pittsburgh Associates
300 Stadium Circle
Pittsburgh, PA 15212

Date of Execution of Lease:

June ____, 2000

Description of Premises:

As set forth on Exhibit A; subject however to reconveyance by Lessor to the City of Pittsburgh or its assigns of a portion of the premises described on Exhibit A, which land is adjacent to the North Shore of the Allegheny River, and is shown on a plan of Subdivision captioned PNC Park Plan No. 1, to be recorded, which reconveyance will occur pursuant to an Agreement dated as of March 1, 1999.

Term of the Lease:

The "Commencement Date" of the Lease will be the later of (a) February 15, 2001 or (b) a date that is ten (10) days following delivery of written notice by Lessor to Lessee that substantial completion of construction of the improvements to be constructed pursuant to the

Lease has occurred, but in no event earlier than December 1, 2000, the term of the Lease will end on October 31, 2030. Pursuant to Article 8 of the Lease, an operating covenant is imposed upon the Lessee, and pursuant to such operating covenant, Lessee is required to occupy the Leased Premises, and to cause Major League Baseball to be played at the Leased Premises, during the entire term of the Lease, until October 31, 2030.

Rights of Extension or Renewal:

Tenant has the right to extend the term of the Lease for one (1) period of five (5) years, upon the delivery in writing of not less than one (1) year prior written notice; rent during the period of extension will be negotiated by the parties in good faith, and is not fixed in the lease.

Rights of Purchase or Refusal:

None.

Other Provisions:

Pursuant to Article 6 of the Lease, Lessee may mortgage or encumber the estate created by the Lease as security for financing furnished to Lessee from time to time by commercial lending institutions, provided that in the event of the enforcement of any remedies by any such lender arising out of such financing, such lender(s) will be bound by all terms of the Lease and Related Agreements (as defined in the Lease), including without limitation the operating covenant referenced above, and those covenants prohibiting relocation of the Major League Baseball Franchise of Lessee, all as further set forth in the Related Agreements.

WITNESS the due execution hereof:

ATTEST:

SPORTS & EXHIBITION AUTHORITY OF
PITTSBURGH AND ALLEGHENY COUNTY

By: _____
Title:

By: _____
Title:

[SEAL]

PITTSBURGH ASSOCIATES

By: Pittsburgh Baseball, Inc.,
Its general partner

By: _____
Title:

By: _____
Title:

[SEAL]

Exhibit G
General Terms of Option Agreement

The following general terms have been agreed upon by the Authority and the Team as terms which will be incorporated into the Option Agreement. To the extent necessary to fulfill its obligations under the Option Agreement, the Authority will enter into a Cooperation Agreement with the Stadium Authority of the City of Pittsburgh. The parties shall enter into the Option Agreement on or before December 31, 2000. These terms are not meant to be exclusive, it being the understanding and intention of the Authority and Team that the Option Agreement will contain terms, conditions, provisions and obligations in addition to those set forth in this Exhibit. When used in this Exhibit, the term "Authority" means the Authority, or the Stadium Authority of the City of Pittsburgh, the fee owner of the Option Area, as the case may be under the foregoing Cooperation Agreement. The Authority, pursuant to the Cooperation Agreement, may cause its rights and obligations hereunder to be exercised by the Stadium Authority.

- Option Team (and its assignee or joint venture partner) to have the exclusive and irrevocable right and option to lease, (under ground lease agreements) or to direct purchase, the Option Area (as generally defined in Exhibit H to the Lease) or portions thereof, subject to applicable land use and zoning laws, and the Option Area plan of development and master plan.
- Term 5 years from the date of Option Agreement, with an extension available based on Team's compliance with requirement to exercise its options as set forth below. The expiration of said period shall be tolled by the time (in excess of 60 days) that any reasonable request for land use or zoning approval is pending with the City of Pittsburgh. The Team shall forfeit its option rights (and accompanying rights in the Pirates North Shore Development Fund) in the event it fails to exercise any such right, pursuant to the terms of the Option Agreement.
- Exercise Team will lease or acquire and develop the Option Area in phases. Team will develop the Option Area in Phases I and II, Phase I being that portion of the Option Area bounded by "new" General Robinson Street on the north. It is anticipated that the initial development of the Option Area will occur in Phase I. In the event Team elects to exercise its rights pursuant to the Option Agreement, Team will be required to exercise at least one option (the first option) for at least 40,000 square feet of land upon the latter of December 31, 2001, or the date which is one year after the date of approval of the "Plan" (as defined herein). Thereafter, for the Option Agreement to remain in effect, Team will be required to lease or purchase at least 80,000 square feet of land every 12 months after the date of the exercise of the first option. So long as Team exercises options as to Phase I in compliance with this timetable, and acquires or leases all of the property located within Phase I (or approved substitute Phase II parcels as set forth below), the Option Term will, at election of Team then be extended for a single period of an additional five (5)

years, so as to allow exercise as to the balance of the Option Area not acquired during the initial five (5) year period. Team will exercise options as to Phase II under the same timetable as was applicable to Phase I (with the first exercise of at least 40,000 square feet of land in Phase II within ninety (90) days of the start of the "Phase II" option period). Team may, with the consent of the Authority (which shall not be unreasonably withheld) exercise an option on a like-sized parcel in the "Phase II" area ("substitute parcel") during the "Phase I" period, which shall then be deemed for purposes of triggering the "Phase II" period, as having been an exercise in the "Phase I" area.

Development Team will agree that its lease or purchase of all or a portion of the Option Area will be for the purpose of developing the Option Area in accordance with the overall plan which shall be agreed upon by Authority and Team as set forth below. Team shall retain the services of a professional real estate development expert or firm (reasonably acceptable to the Authority) to assist and consult with Team in the planning process. Team shall propose a plan of development for the Option Area (which, upon approval, is the "Plan") to the Authority for the Authority's approval, in conformity with applicable laws, rules, ordinances and regulations (including the design standards established by the City Planning Department in collaboration with the North Shore Executive Committee). Team shall submit such Plan to the Authority within ninety (90) days of the execution of the Option Agreement. Team will develop the Option Area in phases in accordance with the schedule agreed upon by Authority and Team. The Authority shall be responsible for "Public Infrastructure" as to (a) layout and provision of the road system within the Option Area, (b) water, sewer and other publicly provided utilities, and (c) park development under the master plan. Team may also seek such other public participation in, or support of, development from local, state and federal government sources as would otherwise be generally available.

Schedule Team will commence construction work (and will provide a completion guarantee or other security in a form substantially similar to that typically provided to a commercial lender) on a development parcel within sixty (60) days of execution of the ground lease or deed for the parcel by Team and the Authority. In addition to any other remedy, in the event of a failure by Team to so commence and provide such guarantee and such failure by Team is not cured or remedied within three months after written demand by Authority to do so, then Authority shall have the right to re-enter and retake possession of the parcel in question and to cancel the ground lease for such parcel, or receive a reconveyance of such parcel.

Joint Venture/
Partnership

The Pittsburgh Steelers ("Steelers") (or its assignee) will be involved in the development of the Option Area, and the partnership or joint venture between Team and the Steelers will exercise the Team's rights hereunder, pursuant to a joint venture/partnership agreement, as described below. Team will partner or venture with the Pirates in developing the Option Area, pursuant to an arrangement which shall, at minimum, provide:

1. Pirates and Steelers enter into a joint venture/partnership development agreement for the site bound by Steeler Way, Avenue of the Pirates, Reedsdale Street, and North Shore Drive/Roberto Clemente Park (Option Area) containing approximately 25.65 acres, net of public improvements. The "Option Area" shall include that portion of Exhibit H to the Lease referenced as "Parcel A", if and only if it is otherwise transferred to the Option Area by the Authority. To the extent one or more "Option Area Garages" are developed under the Lease, such garages are not included as a component of the "Option Area," without the agreement of the Authority. This description defines the Option Area, and is not a stipulation that the entire parcel can be developed.
2. The joint venture/partnership will enter into an Option Agreement with the Authority for the purpose of undertaking a mixed use development under the Plan.
3. The joint venture/ partnership will secure the services of a real estate professional or a development firm to provide the required expertise and support for the development activities, which shall be reasonably acceptable to the Authority.
4. The joint venture/ partnership will engage in a master planning process with the North Shore Executive Committee (which will include representation from, among others, the Riverlife Taskforce). This process will result in a detailed development plan that will adhere to design standards established by the City Planning Department.
5. The joint venture/partnership would enter into a land lease or leases (or purchase) for approximately 25.65 acres +/- within the option Area.
6. The joint venture/ partnership recognizes that ALCO Parking still retains a lease interest in the Stadium Authority parking lots 4 and 5. The joint venture/ partnership will cooperate with the Stadium Authority of the City of Pittsburgh and the Sports & Exhibition Authority in their efforts to repurchase this leasehold interest from ALCO. The joint venture/ partnership must recognize that the Stadium

Authority and the SEA do not have the resources presently to repurchase this leasehold interest. However, the repurchase of the leasehold interest may be secured through replacement parking or revenues generated from the land leases within the Option Area.

7. The terms of the joint venture/partnership agreement shall be subject to approval by the Authority, limited to assuring conformity with the terms of the Lease and the Option Agreement, and to assure that it contains mechanisms to conclusively make all decisions and take such actions as may be necessary to accomplish the development timetable as set forth herein without deadlock between the joint venturers. Such agreement shall also provide for the coordination of receipt/disposition under that arrangement of the Pirates' and Steelers' "North Shore Development Funds." That agreement (or a substitute arrangement acceptable to the Authority) shall be in place and effective on or before the date of the Option Agreement.

Inspection After the execution of the Option Agreement, Team shall have the right to cause authorized representatives of Team to enter upon the Option Area, to conduct due diligence, feasibility studies, and other analysis, pursuant to a License Agreement to be entered into by the Authority, the Stadium Authority and Team.

Subdivision If the Option Area is not legally subdivided into parcels as contemplated by the Plan, then the Team shall, at its sole cost, prepare a subdivision plan with respect to the Option Area. The exact lot lines for the parcels, the location of streets and accessways and all other material matters depicted on the subdivision plan must be acceptable to the Authority, which acceptance shall not be unreasonably withheld, and subject to their prior written approval. Once such approval is given, the Authority shall submit the subdivision plan for preliminary approval to the proper governmental officials and thereafter pursue the subdivision application and approval process.

Representations The Option Agreement shall contain such agreements, representations, warranties, covenants, indemnities and conditions by Authority and by Team as are customary in similar transactions and as shall be agreed to by the parties.

Closings Once Team exercises an option to purchase or lease a parcel, the Authority and Team will agree to work in good faith to close the transaction (i.e., enter into a ground lease or deed for the parcel) at the earliest possible date.

Restrictions on Transfers

- (a) Subject to conformity by Team with all terms of the Option Agreement, during the term of the Option Agreement, the Authority will not offer to sell,

or sell, transfer or convey any part of the Option Area to any third party, without the prior written consent of Team, which may be granted or withheld in Team's sole discretion.

(b) Team shall have the right to assign, in accordance with the terms of the Lease and the Development and Operating Agreement, its rights under the Option Agreement (together with Team's rights under the Lease and Development Agreement) to any purchaser of Team's franchise ("A Permitted Transfer"). Other than a Permitted Transfer, Team may transfer its rights under the Option Agreement only with the Authority's approval.

(c) In addition, the transfer of rights to a particular parcel (at closing) after exercise by Team shall also be deemed a "Permitted Transfer." Any such transferee shall be the party obligated to commence construction and provide the completion guarantee or security as set forth in the "Schedule" paragraph set forth above.

Non-exclusive List of Terms for Ground Leases/Purchases

Each ground lease/property purchase for a parcel shall include the following general terms:

(a) The purchase price for a direct purchase will be determined by two qualified appraisers, one selected by the Team and one selected by the Authority. In each case the appraiser must be approved by the other party, which approval will not be unreasonably withheld. Each appraiser will perform an independent appraisal within thirty (30) days. If the two appraisers cannot agree on a value and the higher appraisal is less than 110% of the lower appraisal, then the average of the two appraisals will be the agreed purchase price. If the two appraisers cannot agree and the higher appraisal exceeds 110% of the lower appraisal, then the two appraisers shall select a third qualified appraiser. The third appraiser will appraise the property and the value of the property will be the average of (i) the third appraisal and (ii) the initial appraisal closest to the third appraisal. Each appraiser will be instructed to appraise the property based upon a commercial developer buying the Option Area in bulk as raw land to be developed. The appraisers shall be instructed to consider comparable land values (and land conditions) to be the price paid (and land conditions) for land in other commercial re-development projects recently completed in the North Shore area, i.e., the Lincoln at North Shore apartment complex and Alcoa's headquarters building. Prices paid for assemblage of land parcels for the Pirates ballpark or Steelers Stadium shall not be considered as comparable prices for purposes of this determination.

(b) The term of each ground lease shall be 99 years, with the Team having the right (exercisable at anytime) to purchase each parcel in fee simple at the

price set under Section (a)(1). In the event Team acquires a parcel by ground lease only, the rent under such Lease shall be set under Section (b)(1).

(b)(1) If the Team elects to acquire the land under a ground lease, then the lease rental will be based on the fair market rental value of the raw land determined using the appraisal method described above. Rent components under the ground lease may consist of either one or both of a base rent and a percentage of net or gross revenues received by the joint venture (as opposed to the net or gross revenues of the actual occupants).

(b)(2) The purchase price/ground lease rents as determined by (a) and (b)(1) above will be set at the time the Option Agreement is executed.

(c) Team shall be responsible to pay all real estate taxes, assessment and other charges assessed against a parcel. Taxes shall not include, however, any assessment or impact fee relating to the initial construction of the infrastructure on the parcel such as the widening of roads, traffic signals, installation of sewer lines and sanitary and storm drainage systems. Transfer taxes shall be paid from the Development Fund (if funds are available); any additional amounts shall be paid by Team.

(d) Team shall have the right to enter into agreements with utility companies and governmental agencies creating easements in favor of such utility companies or governmental agencies in order to service any improvements on the leased premises, and Authority covenants and agrees to consent thereto and to execute any and all documents and to undertake any and all actions in order to effectuate the same, as long as same do not materially adversely affect the Authority or the Option Area.

(e) Subject to the limitations set forth herein, Team shall have the right to assign a ground lease, or to sublet all or any portion of the leased premises, provided that (i) subsequent to any such subletting Team remains primarily liable for the payment and performance of Team's obligations under the lease and, (ii) in the case of an assignment, the assignee shall assume all of Team's liabilities and obligations under the lease and Team shall be fully relieved of all liabilities and obligations under the lease arising from and after the date of such assignment. Team shall send the Authority a copy of any sublease or assignment and assumption agreement within fifteen (15) days after the full execution and delivery thereof by Team and the subtenant or assignee. In all events, any assignee or subtenant shall agree to be bound by the Option Area Plan, and applicable leases, and any assignee shall demonstrate financial viability acceptable to the Authority.

(f) Team shall at all times have the right to encumber by mortgage or other instrument in the nature thereof as security for any debt, all of Team's right, title and interest under the ground lease including, without limiting the

generality of the foregoing, Team's right to use and occupy the premises together with its rights and interests in and to all buildings, improvements, and fixtures now or hereafter placed on the premises; in all respects, however, subordinate and inferior to the Authority's rights, title, privileges and interests as may be provided in the lease; provided that Team shall, in no event, except as provided in Team's option to purchase the fee interests as set forth above, have the right to, in any way, encumber the Authority's fee simple title and reversionary interest in and to the leased premises. Provided, however, that Authority agrees that it shall enter into agreements reasonably requested by a Lender to protect the interests of the Lender in the leasehold estate if Team demonstrates to the Authority's reasonable satisfaction that such agreement is necessary to obtain financing by Team on commercially reasonable terms. If required by Team or Team's mortgagee, a memorandum of the lease shall be executed and acknowledged by the parties, describing the premises and setting forth the term of the lease, which memorandum may be recorded at the cost and expense of Team. So long as any such leasehold mortgage is in effect, the following provisions shall apply: (i) the Authority shall serve a copy of any notice of default required to be served on Team under the ground lease upon such leasehold mortgagee, (ii) in the event of a default by Team under any ground lease, a leasehold mortgagee shall, within the period allowed Team to cure such default, have the right to cure such default, and the Authority shall accept such performance by or on behalf of such leasehold mortgagee as if the same had been made by Team, and (iii) upon the occurrence of an event of default, the Authority shall take no action to terminate the ground lease without first giving to the leasehold mortgagee written notice thereof and a reasonable time thereafter within which either (A) to obtain possession of the leased premises and the improvements thereon or (B) to institute, prosecute, and complete foreclosure proceedings or otherwise acquire Team's interest in the lease. In the event the default is the nonpayment of money, the payments due must be brought current, and the reasonable time shall be ten (10) business days.

(g) The Authority shall covenant and warrant that Team and Team's subTeams, customers, invitees, employees and visitors shall have continuous access to the leased premises from the entries depicted on the Plan and the Authority shall not cause or allow any interference therewith. This provision applies whether the parcel is acquired by deed or lease.

(h) Should either party to a ground lease (or a parcel acquired by deed) be delayed or hindered in, or prevented from the performance of any of its agreements or obligations hereunder and such delay or hindrance is due to strike, lockout, acts of God, governmental restrictions, enemy act, civil commotion, unavoidable fire or other casualty, or other causes beyond the control of such party, then the time for performance of such agreement of such obligation shall be extended for a period equivalent to the period of the delay.

(i) Prior to offering any part of the Option Area leased by Team for sale to third parties, the Authority shall first notify Team of its intention to sell a parcel or parcels, and, unless Team notifies the Authority within thirty (30) days that Team will purchase such parcel or parcels at the price set by the process in (a) above, the Authority may sell the parcel or parcels to a third party, under and subject to the lease, and Team shall have no further right or option to purchase that parcel.

(j)(1) Commencing with Team's acquisition (by lease or purchase) of the first Phase I parcel, and thereafter upon each acquisition (by purchase or ground lease) of a portion of the land comprising a Phase I parcel, the Joint Venture will be entitled to a proportionate share of i) the then current balance of the Pirates' North Shore Development Fund and ii) any contributions thereafter made to the Pirates' North Shore Development Fund. The amount of the Joint Venture's proportionate share of the then current balance of the fund will be determined at the time of each individual acquisition and will be the percentage determined by dividing (a) the square footage of the parcel acquired, by (b) the total square footage of Phase I immediately prior to the first acquisition or ground lease of a portion of Phase I pursuant to the Option Agreement. The Joint Venture's total proportionate share of all future contributions to the fund shall be equal to the percentage of all prior portions of Phase I purchased or leased by the Joint Venture as of the applicable date as a percentage of the total square footage of Phase I as described above. The Joint Venture will be paid its proportionate share of any then current balance of the Pirates' North Shore Development Fund upon the closing of the subject acquisition or ground lease by the Joint Venture. The Joint Venture will be paid its proportionate share of any future contributions to the Pirates' North Shore Development Fund within ten (10) business days after such moneys are contributed to the fund. There shall be no restrictions on the Joint Venture's use of any moneys paid to it from the Pirates' North Shore Development Fund. These same procedures shall apply as to Phase II parcels. If, and only if, the entire Option Area is fully developed pursuant to the Plan, on the above-stated timetable, then any balance remaining in the Pirates' North Shore Development Fund shall be paid to the Team. Otherwise, any funds remaining in the Pirates' North Shore Development Fund shall remain in such fund for use by the Authority for development.

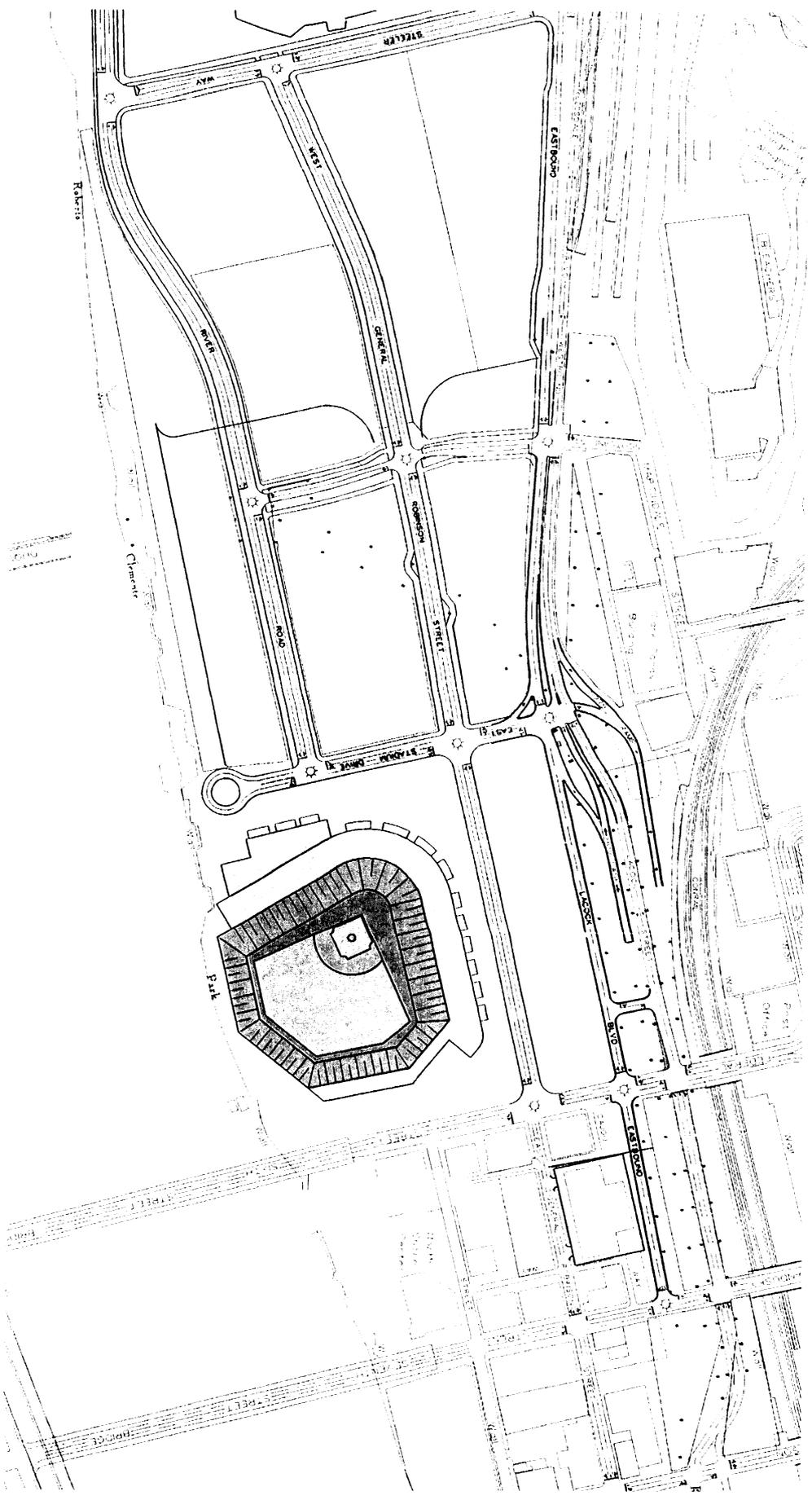
(j)(2) In addition to the disbursements under (j)(1) above, to the extent Team is an equity investor or participant in the development of a given parcel (utilizing its own funds), the Authority may further release funds for legitimate project/development costs; further Authority will also release amounts from the Fund totalling not greater than \$250,000 for Team's documented, reasonable pre-development expenses.

The ground lease/deed terms set forth above are not intended to be exclusive in nature, it being the understanding and intention of the Authority and Team that, during the term of the Option Negotiating Period, the Authority and Team shall negotiate in good faith the other commercially reasonable terms of each ground lease/purchase for each parcel.

Exhibit H

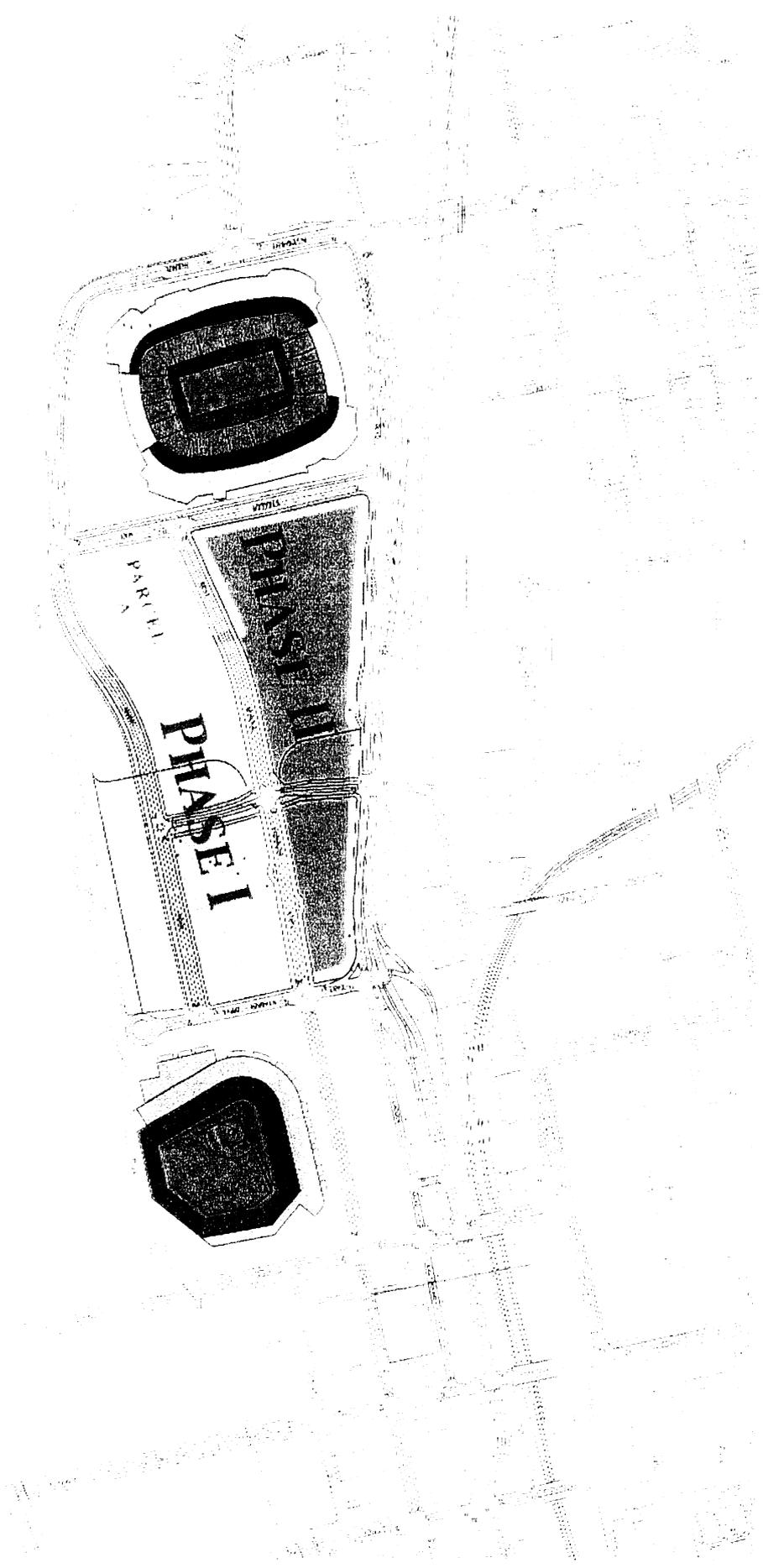
Map Indicating Location of Parking Areas

Pirates Permit Parking Area (for Daily Non-Event Parkings)

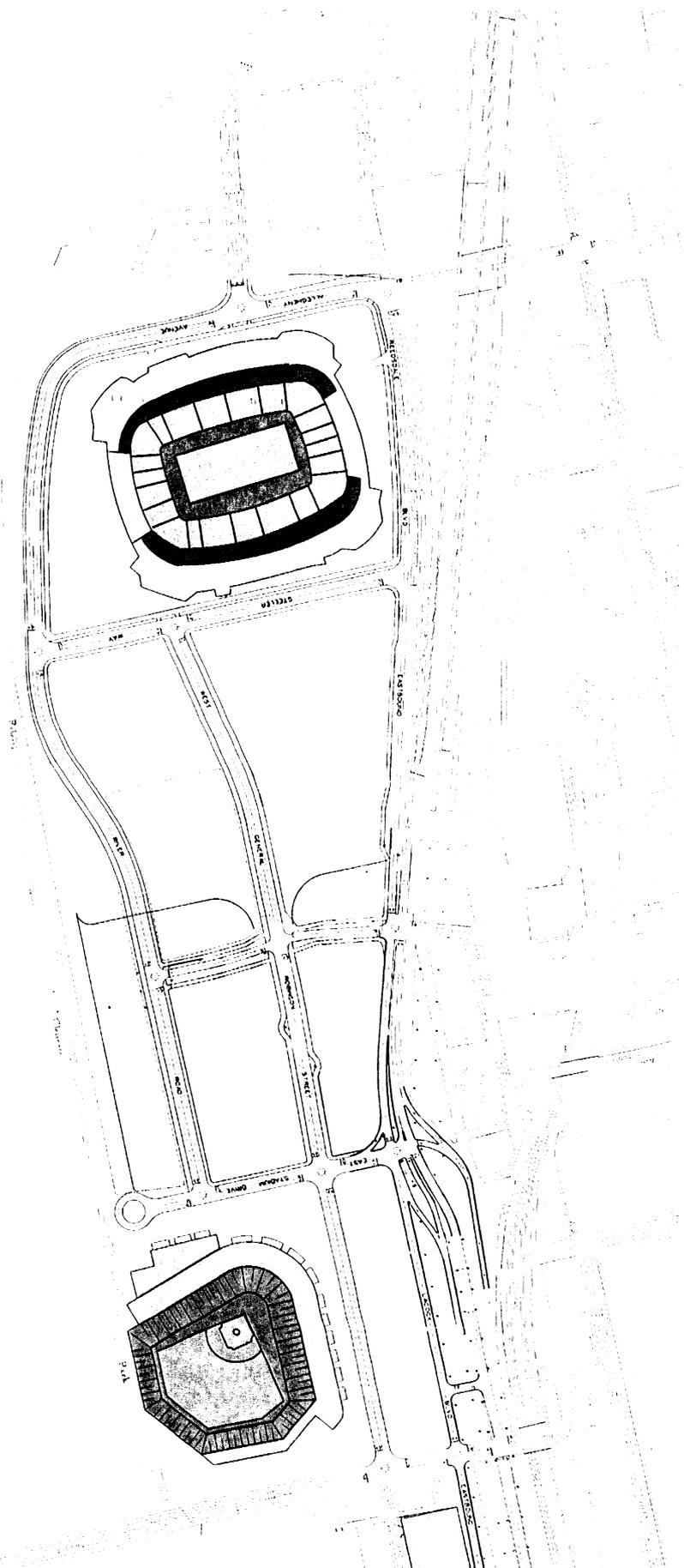


OPTION AREA

○ PHASE I • PHASE II ■



Alco Master Lease Lots 4&5



Alco Master Lease Lots 7A thru 7J



General Robinson St. Garage

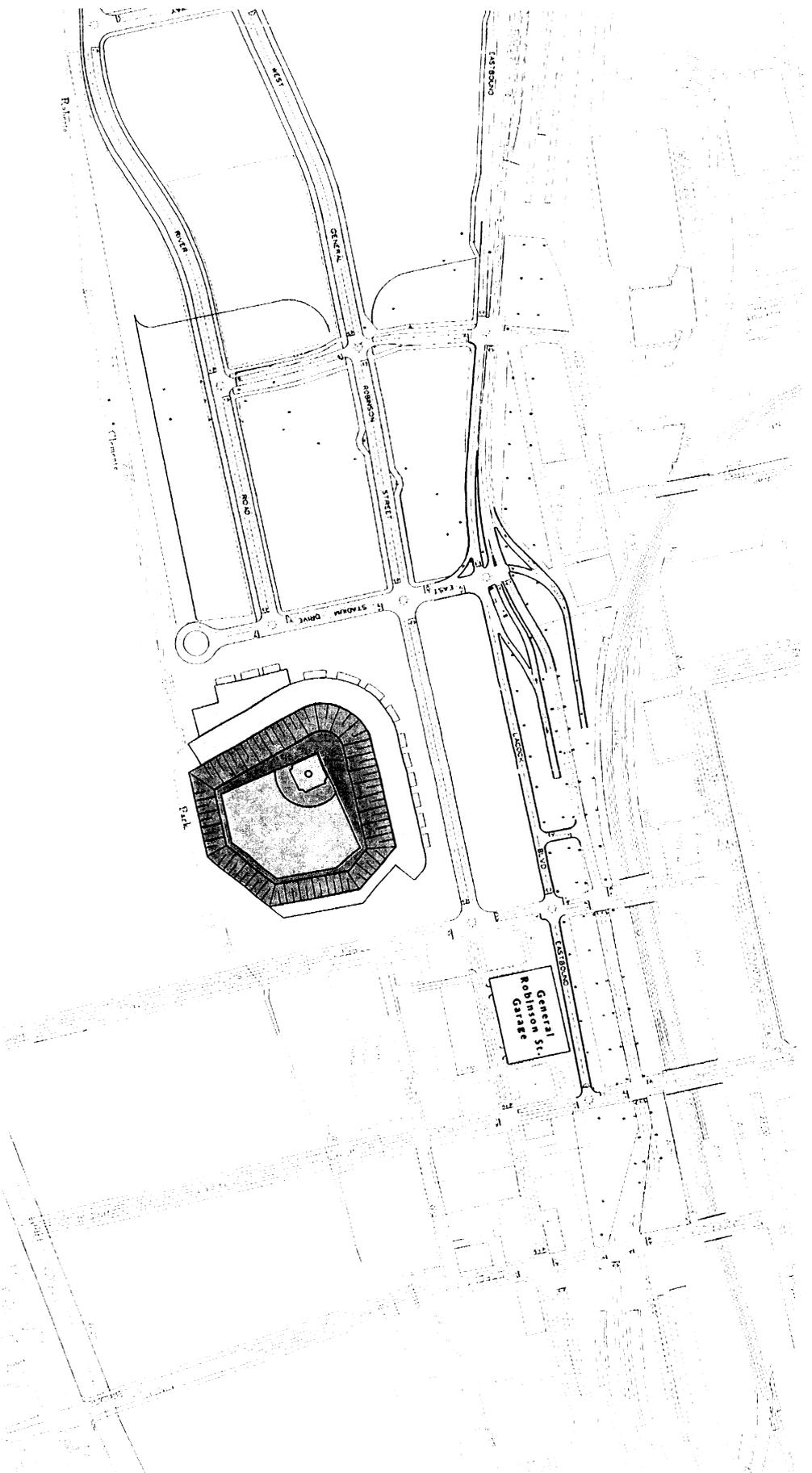


Exhibit I

Litigation Schedule

1. Pleasant Hills Construction Co. and Gary Hartman v. Pittsburgh Auditorium Authority ("PAA"), now known as the Sports and Exhibition Authority, et al, in the Court of Common Pleas, Allegheny County, G.D. No. 99-15038. Plaintiffs filed suit against the PAA contending that because Pleasant Hills was the low bidder for PNC Park's plumbing work, it should have been awarded this contract. Pleasant Hills seeks approximately \$600,000 in damages. This matter is now in the appellate court on an issue that will likely be dispositive of the case.