

**LEASE AGREEMENT**  
**BY AND BETWEEN**  
**SPORTS & EXHIBITION AUTHORITY**  
**OF PITTSBURGH AND ALLEGHENY COUNTY**  
**AND**  
**PITTSBURGH ASSOCIATES**

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## LEASE AGREEMENT

This **LEASE AGREEMENT** (the "**Lease**") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2000, to be effective on the Commencement Date (as defined below), by and between the **SPORTS & EXHIBITION AUTHORITY OF PITTSBURGH AND ALLEGHENY COUNTY**, formerly known as the Public Auditorium Authority of Pittsburgh and Allegheny County, a body corporate and politic, organized and existing pursuant to the Public Auditorium Authorities Law, Act of July 29, 1953, P.L. 1034, 53 Purdon's Statutes 23841, et seq. (the "**Authority**") and **PITTSBURGH ASSOCIATES**, a Pennsylvania limited partnership (the "**Team**").

### WITNESSETH:

WHEREAS, Authority has acquired fee simple title to the property bounded by W. General Robinson Street on the North, Federal Street on the East, Stadium Drive on the West and the Allegheny River on the South in the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, more particularly described on Exhibit A, attached hereto and made a part hereof (the "**Site**"), and shown on the site plan attached hereto as Exhibit B, and made a part hereof; and

WHEREAS, Authority has further acquired certain riparian rights on the North Shore of the Allegheny River, together with the right and easement to cross land owned by the City of Pittsburgh for access between the Allegheny River and the Site (which rights are referred to herein as the "**Docking Rights**"); and

WHEREAS, Authority is constructing a baseball stadium on the Site to contain approximately 38,000 seats (the "**Ballpark**"), and is installing certain fixtures, furnishings and equipment therein ("**Equipment**") (the Site, Ballpark and Equipment are referred to herein collectively as the "**Project**"); and

WHEREAS, Authority desires to lease the Project, excluding the Riverfront Park, together with the Docking Rights (all of which are collectively referred to herein as the "**Leased Premises**" or "**Premises**") to Team, and Team wishes to lease and accept the Leased Premises from the Authority, all under the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises, undertakings and covenants hereinafter set forth, and intending to be legally bound hereby, Authority and Team covenant and agree as follows:

ARTICLE 1.

LEASE

Authority hereby leases to the Team and the Team hereby leases and accepts from the Authority the Leased Premises for the Lease Term (as defined in Article 3 below), and upon the terms, conditions and covenants set forth herein.

ARTICLE 2.

DEFINITIONS

As used in this Lease:

"**Accountants**" shall mean an independent and nationally recognized accounting firm selected by the Team.

"**Affiliate**" of a specified Person means any corporation, partnership, sole proprietorship or other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Person specified. The term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person.

"**Agency Agreement**" shall mean that certain Interim Agency Agreement executed by the parties, dated May 17, 1999, relating, inter alia, to initial development of the Project.

"**Alterations**" shall mean any alteration, modification or improvement to the Ballpark that is not a Capital Repair or Capital Improvement.

"**Amusement Tax**" shall mean such tax as is presently imposed, or as may be imposed from time to time, by the City as an "amusement tax" on admission tickets to Events at the Ballpark, which tax is presently imposed at the rate of five percent (5%) on the price of each ticket.

"**Applicable Laws**" shall mean any law (including common law), code, ordinance, or regulation, or charter or constitutional provision, duly enacted or adopted by the United States, the Commonwealth, the City or the County.

"**Assumption Notice**" shall have the meaning set forth in Section 11.2.

"**Authority Environmental Losses**" shall have the meaning set forth in Section 13.4.

"**Authority-Indemnified Persons**" shall have the meaning set forth in Section 11.1.

"**Authority Representative**" shall mean the person or persons authorized to execute this Lease on behalf of the Authority, and/or the person or persons authorized by the Authority to act on behalf of the Authority with respect to matters related to this Lease.

"**Average Ticket Price**" shall mean an amount equal to the sum of (i) the product of the stated ticket price, net of applicable taxes (including Ticket Surcharge and Amusement Tax), for tickets at each pricing level by the number of tickets available for said level of pricing, divided by (ii) the total number of tickets available for sale in the Ballpark.

"**Ballpark**" shall have the meaning set forth in the preamble hereto.

"**Ballpark Operating Budget**" shall have the meaning set forth in Section 7.3.

"**Base Line Tax Amount**" shall have the meaning set forth in Section 501 of the Capital Facilities Act, as the same may be amended from time to time.

"**Base Rent**" shall have the meaning set forth in Section 4.2.1(a).

"**Baseball Rules and Regulations**" shall mean collectively, the Major League Agreement, the Major League Constitution, the Major League Rules, and any other rules, guidelines, regulations or requirements of the Office of the Commissioner of Baseball, the Commissioner, the Ownership Committee of Baseball, and/or any other Person appointed by the foregoing that are generally applicable to Major League clubs, as applicable, all as the same now exist or may be amended or adopted in the future.

"**Business Day**" shall mean any day other than a Saturday, Sunday or other day on which banks are required or authorized to close in Pittsburgh, Pennsylvania. If any time period set forth in this Lease expires on other than a Business Day, such period shall be extended to and through the next succeeding Business Day.

"**Capital Facilities Act**" shall mean the Capital Facilities Debt Enabling Act, S.B. 10, No. 313, Act of February 9, 1999, as amended from time to time.

"**Capital Improvements**" shall mean all capital modifications or additions to existing facilities at the Ballpark which (a) have been installed in at least one-half of MLB stadia, or, in the case of modifications or additions applicable only to open air stadia, in at least one-half of open-air MLB stadia, (where not less than 25% of the cost of such modification has been paid for by Governmental Authorities), (b) taken as a whole, are reasonably necessary, directly or indirectly, for the Team to maintain its relative economic position within MLB with regard to revenues from the Ballpark; and (c) are reasonably necessary to prevent the facilities and amenities of the Ballpark from becoming materially outdated in comparison to other MLB stadia constructed between 1999 and 2004. Capital Improvements shall not in any event include modifications to the Ballpark designed to increase its attendance capacity.

"**Capital Repair Plans**" shall have the meaning set forth in Section 10.4.5.

"**Capital Repairs**" shall have the meaning set forth in Section 10.3.

"**Capital Reserve Fund**" shall mean the account established under Section 10.3.1 to furnish funds for Capital Repairs and Capital Improvements.

"**Capital Reserve Report**" shall have the meaning set forth in Section 9.2(d).

"**City**" shall mean the City of Pittsburgh.

"**Club Seats**" shall mean approximately 2,500 seats located in the first ten (10) rows of the upper deck of the Ballpark connected to the lounge area directly behind such seating.

"**Commencement Date**" shall have the meaning set forth in Section 3.1.

"**Commonwealth**" shall mean the Commonwealth of Pennsylvania.

"**Commonwealth Event(s)**" shall mean those events scheduled under Section 5.4.

"**Commonwealth Event Operating Expenses**" shall have the meaning set forth in Section 5.4.

"**Communication System**" shall mean the internal broadcasting system at the Ballpark, together with the scoreboard, and any other facilities within the Ballpark designed to communicate with spectators at Events.

"**Community Event(s)**" shall have the meaning set forth in Section 5.3.

"**Community Event Operating Expenses**" shall have the meaning set forth in Section 5.3.

"**Concessions**" shall mean all food and beverages, novelties and merchandise, or other products sold by the designated concessionaires at the Ballpark, as selected by the Team.

"**Construction Defect**" shall mean a defective condition in the Leased Premises caused, in substantial part, by the (a) failure of the Design and Construction Manager and/or its subcontractors to use such care as a reasonably prudent contractor/subcontractor skilled in the construction of first-class sports facilities (or parts thereof) would use under similar circumstances, and/or (b) deviation of the materials used in the construction of the improvements on the Leased Premises from the specifications for such materials.

"**Consulting Engineer**" shall have the meaning set forth in Section 10.9.

"**Contamination**" shall mean the presence or release or threat of release of Regulated Substances in, on, under or emanating to or from the Site, which pursuant to Environmental Laws requires notification or reporting to any Governmental Authority, or which pursuant to Environmental Laws requires the identification, investigation, cleanup, removal, remediation, containment, control, abatement, monitoring of or other response action to such Regulated Substances or which otherwise constitutes a violation of Environmental Laws.

"**County**" shall mean the County of Allegheny.

"**CPI Increases**" shall mean increases, calculated from January 1 of the calendar year in which the Commencement Date occurs, to such date as may be applicable, as provided in this Lease, in the index known as the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index, All Urban Consumers, United States City Average, All Items (1982-84 = 100) (the "CPI") or the successor index that most closely approximates the CPI. If in any Lease Year the CPI decreases, then the applicable CPI Increase for that Lease Year shall be zero.

"**Daily Parking Spaces**" shall have the meaning set forth in Section 5.12.3 hereof.

"**Damages**" shall mean any loss, liability, claim, damage (including incidental and consequential damages) and expense (including costs of investigation and defense and reasonable attorneys' fees), whether the action is for money damages, or otherwise at law, or for equitable or declaratory relief.

"**Default Rate**" shall mean the lesser of (a) four percent (4%) above the "prime rate" of interest announced from time to time by PNC Bank as its then "prime rate" or (b) the greatest amount permitted by Applicable Law.

"**Deposit Reductions**" shall have the meaning set forth in Section 10.3.1 hereof.

"**Design Defect**" shall mean a defective condition in the Leased Premises caused, in substantial part, by the failure of the architect to use such care as a reasonably prudent architect skilled in the design of first-class sports facilities would use under similar circumstances.

"**DCM Agreement**" shall mean the Design and Construction Management Agreement made as of October 16, 1998, by and between the Team, as agent for the Authority, with the Design and Construction Manager, as the same may be amended, modified or supplemented from time to time with the prior written consent of the Authority, which consent shall not be unreasonably withheld.

"**Design and Construction Manager**" shall mean Dick Corporation/Barton Malow Company, a joint venture comprised of the Dick Corporation, Large, PA, and Barton Malow Company, Baltimore, MD.

"**Development Agreement**" shall mean that certain Development and Operating Agreement between the Authority and the Team of even date herewith.

"**Docking Rights**" shall mean such riparian rights as are vested in the Authority, pursuant to a grant from the City, to install docking and other facilities along or on the North Shore of the Allegheny River, a navigable waterway, adjacent to PNC Park.

"**Emergency Repairs**" shall mean those Capital Repairs, or other repairs, maintenance or improvements, which, if not immediately made, would endanger the health and safety of the people working in or attending an Event in the Ballpark, would cause imminent damage to any significant component of the Ballpark, or would render the Ballpark, or any material portion of

its mechanical, electrical or plumbing systems or other significant component thereof, unusable for previously scheduled Events.

**"Environmental Complaint"** shall mean any written complaint by any Person or Governmental Authority setting forth a cause of action for personal injury or property damage, natural resource damage, contribution or indemnity for response costs, civil or administrative penalties, criminal fines or penalties, or declaratory or equitable relief arising under any Environmental Law or any order, notice of violation, citation, subpoena, request for information or other written notice or demand of any type issued by any Governmental Authority pursuant to any Environmental Law.

**"Environmental Law"** shall mean all Applicable Laws, including without limitation, any consent decrees, settlement agreements, judgments, or orders issued by or entered into with a Governmental Authority pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health or the environment; (iii) the presence, use, management, generation, processing, treatment, recycling, transport, storage, collection, disposal or release or threat of release of Regulated Substances; (iv) the presence of Contamination; and (v) the protection of endangered or threatened species.

**"Equipment"** shall have the meaning set forth in the Preambles set forth above.

**"Event"** or **"Events"** shall mean, separately and collectively, all MLB Events and Non-MLB Events.

**"Event of Default"** shall have the meaning set forth in Article 14.

**"Event Option Area Net Parking Revenues"** shall mean all parking revenues (other than Event Permanent Surface Net Parking Revenues) received by the Authority or the Stadium Authority from surface parking spaces located within the Option Area for any Event, net of (i) reasonable operating expenses (which do not include capital costs), (ii) any payments to Alco Parking Corporation or successor Person(s) pursuant to any lease, operating agreement or any other written arrangement with respect to parking spaces located within the Option Area, and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of surface parking spaces located within the Option Area for MLB Events.

**"Event Permanent Surface Net Parking Revenues"** shall mean all revenues received by the Authority or the Stadium Authority from Permanent Surface Parking Spaces, net of (i) reasonable operating expenses (which do not include capital costs), (ii) any payments to Alco Parking Corporation or successor Person(s) pursuant to any lease, operating agreement or any other written arrangement with respect to such parking spaces, and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of Permanent Surface Parking Spaces on Event days.

**"Excess Concession Revenue"** shall have the meaning set forth in Section 4.2.

"**Excess Gate**" shall have the meaning set forth in Section 4.2.

"**Expiration Date**" shall have the meaning set forth in Article 3.

"**Extension Term**" shall have the meaning set forth in Section 3.2.

"**Force Majeure**" shall mean acts of God, accidents, fire or other casualty, earthquake, flood, war, riot, intervention by civil or military authorities of government, insurrection, or other civil commotion, material shortages, strikes, boycotts or labor disputes, including but not limited to player labor stoppages, whether attributable to strikes or lockouts, or any other similar or like event or occurrence beyond the reasonable control of either party hereto, that causes such party to be delayed or hindered in, or prevented from, the performance of any covenant or obligation hereunder.

"**Franchise**" means the Pittsburgh Pirates MLB franchise.

"**GAAP**" shall mean United States generally accepted accounting principles as recognized from time to time by the Financial Accounting Standards Board or its successor(s) in function.

"**Garage Operating and Financing Costs**" shall mean the operating expenses (including replacement reserves, required capital improvements, management fees and other costs that are usually and customarily incurred in the operation of a multi-level commercial parking facility) and funds required to pay for debt service in connection with the North Shore Garages.

"**Garage Revenues**" shall have the meaning set forth in Section 5.12.3 hereof.

"**General Parking Spaces**" shall have the meaning set forth in Section 5.12.1 hereof.

"**General Concessions**" shall mean the concessions provided to the general seating (as distinguished from Premium Seating) areas of the Ballpark.

"**General Robinson St. Garage**" shall have the meaning set forth in Section 5.12.5.

"**Governmental Authority**" shall mean any national, federal, state, local or other government or political subdivision or any agency, authority, board, bureau, commission, department or instrumentality thereof, or any court, tribunal, grand jury or arbitrator.

"**Grant Agreement**" shall mean that certain Contract, effective as of July 1, 1999, pursuant to which the Commonwealth, acting through the Office of Budget, agreed to grant the sum of Seventy-Five Million Dollars (\$75,000,000) to the Authority to be used toward construction and development of the Ballpark.

"**Gross Concession Revenues**" shall mean all revenues generated at the Ballpark related to the sale of food and beverage, merchandise and novelties, including without limitation revenues generated from sales of Premium Concessions and General Concessions.

"**Gross Food and Beverage Revenues**" shall mean all revenues generated at the Ballpark related to the sale of food and beverage Concessions, including without limitation revenues generated from sales of food and beverage Premium Concessions and General Concessions.

"**Home Plate Club Seats**" shall mean the approximately 384 seats behind home plate.

"**Home Season Games**" shall mean all MLB regular season and post season home baseball games to be played by the Team during any calendar year.

"**Initial Term**" shall have the meaning set forth in Section 3.1.

"**Leased Premises**" shall have the meaning set forth in the preambles set forth above. For purposes of this Lease, the Leased Premises does not include those areas identified on Exhibit B as "areas to be conveyed to the City of Pittsburgh", which areas will, following completion of construction of the Ballpark, be reconveyed by the Authority to the City, and are also referred to in this Lease as the Riverfront Park.

"**Lease Term**" shall have the meaning set forth in Article 3.

"**Lease Year**" shall mean each period of twelve (12) months during the Lease Term, commencing on November 1, and ending on October 31, provided that the first Lease Year shall commence on the Commencement Date and end October 31, 2001, and the final Lease Year shall commence on November 1 of the final full calendar year during the Lease Term and end on the Expiration Date. Notwithstanding the foregoing, for the purpose of the payment of Statutory Rent, a Lease Year shall be a calendar year and each Lease Year, so defined, shall be a "Rental Period," as defined in Section 467 of the Internal Revenue Code.

"**Lender**" shall have the meaning set forth in Section 6.2.

"**Lien**" or "**Liens**" shall mean mechanics' and suppliers' liens, judgments in excess of \$50,000, liens for real estate taxes, or local, state or federal taxes of any kind, municipal assessments, levies for improvements, or other encumbrances of any kind affecting the Premises.

"**Luxury Suites**" shall mean the 65 private suites available for sale on the suite level of the Ballpark, and the seven (7) party suites on the club level of the Ballpark.

"**Major League Baseball**" shall mean, collectively, the Office of the Commissioner of Baseball, the Commissioner of Baseball, the Major League clubs, the Ownership Committee of Baseball, and/or any other Person appointed by any of the foregoing.

"**MLB**" shall mean Major League Baseball, or any successor substitute association or entity of which the Team is a member or joint owner, and which engages in professional baseball in a manner comparable to Major League Baseball.

"**MLB Event**" shall mean any regular season, post-season, or exhibition baseball game played by the Team, and including any other baseball related event scheduled by the Team, the National League or MLB.

**"Non-Event Option Area Net Parking Revenues"** shall mean all parking revenues received by the Authority or the Stadium Authority (including revenues from Daily Parking Spaces) from surface parking spaces located within the Option Area from sources that are not related to Events ( as used herein, the term "Events" includes, but is not limited to, National Football League games held in the Pittsburgh Steelers stadium and MLB Events), net of (i) reasonable operating expenses (which do not include capital costs), (ii) any payments to Alco Parking Corporation or successor Person(s) pursuant to any lease, operating agreement or any other written arrangement with respect to parking spaces located within the Option Area, and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of surface parking spaces located in the Option Area on such non-game days.

**"Non-Event Permanent Surface Net Parking Revenues"** shall mean all parking revenues received by the Authority or the Stadium Authority from Permanent Surface Parking Spaces located within the Option Area from sources that are not related to Events (as used herein, the term "Events" includes, but is not limited to, National Football League games held in the Pittsburgh Steelers stadium and MLB Events), net of (i) reasonable operating expenses (which do not include capital costs), (ii) any payments to Alco Parking Corporation or successor Person(s) pursuant to any lease, operating agreement or any other written arrangement with respect to such parking spaces, and (iii) all applicable local, state and federal taxes, in the case of clauses (i), (ii) and (iii) each to the extent associated with the operation of Permanent Surface Parking Spaces on such non-game days.

**"Non-MLB Events"** shall mean all events at the Ballpark sponsored by or scheduled with the approval of the Team, excluding MLB Events, Commonwealth Events and Community Events.

**"North Shore Garages"** shall have the meaning set forth in Section 5.12.5.

**"Option Agreement"** shall have the meaning set forth in Section 5.12.5 hereof, the general terms of which are summarized on Exhibit G..

**"Option Area"** shall mean that area of the North Shore of the City indicated as the "Option Area" on Exhibit H attached hereto.

**"Option Area Garages"** shall have the meaning set forth in Section 5.12.5.

**"Option Negotiation Period"** shall have the meaning set forth in Section 5.12.5.

**"Payment Reduction"** shall have the meaning set forth in Section 10.3.1 hereof.

**"Per Capita Food and Beverage Revenues"** shall mean Gross Food and Beverage Revenue divided by Turnstile Attendance.

**"Permanent Surface Parking Spaces"** shall have the meaning set forth in Section 5.12.2.

"**Permitted Encumbrances**" shall mean utility easements and other similar matters of record which do not interfere materially with the Project or the operation of the Ballpark, and which are listed on Exhibit E hereto.

"**Person**" shall mean any natural person, sole proprietorship, partnership, corporation, trust, limited liability company, limited liability association, joint venture, unincorporated organization, joint stock company, Governmental Authority or any other entity.

"**Pirates North Shore Development Fund**" shall have the meaning set forth in Section 5.12.5(e) hereof.

"**PNC Bank**" shall mean PNC Bank, National Association, a national banking association, or any successor thereto.

"**Premises**" shall have the meaning set forth in the preambles above, and is used interchangeably herein with the term "Leased Premises."

"**Premium Concessions**" shall mean the Concessions provided to the Premium Seating areas of the Ballpark.

"**Premium Seats**" shall mean Luxury Suites, Club Seats and Field Club Seats.

"**Proceeding**" shall have the meaning set forth in Section 11.2.

"**Project**" shall have the meaning set forth in the preamble hereto.

"**Public Areas of the Ballpark**" shall mean the Pittsburgh Baseball Club, the Home Plate Club, the Luxury Suites, the Party Suites and all common areas in the club and suite levels of the Ballpark, the Hall of Fame, the Pirate retail store, the pressbox, the club house and the visiting team club house.

"**RAD**" shall mean the Allegheny Regional Asset District, a body corporate and politic.

"**Regulated Substances**" shall mean, without limitation, any substance, material or waste, regardless of its form or nature, defined under Environmental Laws as a "hazardous substance," "hazardous waste," "toxic substance," "extremely hazardous substance," "toxic chemical," "toxic waste," "solid waste," "industrial waste," "residual waste," "municipal waste," "special handling waste," "mixed waste," "infectious waste," "chemotherapeutic waste," "medical waste," "regulated substance," "pollutant" or "contaminant" or any other substance, material or waste, regardless of its form or nature, which otherwise is regulated by Environmental Laws.

"**Related Agreements**" shall mean the Development Agreement, the DCM Agreement, the Agency Agreement, and the URA Loan Agreement, all as amended, supplemented, renewed or replaced from time to time.

"**Rent**" shall have the meaning set forth in Article 4.

**"Required Environmental Permits"** shall mean all permits, licenses, bonds, consents, programs, approvals or authorizations required under Environmental Laws to conduct operations at or maintain the Premises or to construct, maintain, operate or occupy the Premises or any Alterations or improvements thereon, regardless of whether such permits, licenses, bonds, consents, approvals or authorizations have been obtained by or on behalf of the Authority or the Team.

**"Required Environmental Reports"** shall mean all notices, reports, plans, forms or other filings which pursuant to Environmental Laws, Required Environmental Permits or at the request or direction of a Governmental Authority must be submitted to a Governmental Authority or which otherwise must be maintained with respect to the Premises, Contamination and the operations and activities of Team.

**"Response Action"** shall mean the investigation, cleanup, removal, remediation, containment, control, abatement, monitoring of or any other response action to the presence of Regulated Substances or Contamination in, on, at, under or emanating from the Premises, including but not limited to the correction or abatement of any violation, required pursuant to Environmental Laws, Required Environmental Permits or by a Governmental Authority.

**"Restoration Fund"** shall have the meaning set forth in Section 12.4.

**"Restoration Fund Trustee"** shall have the meaning set forth in Section 12.4.

**"Revenues"** shall mean all revenues generated in conjunction with the operation of Ballpark.

**"Riverfront Park"** shall have the meaning set forth in Section 10.1.

**"River Rescue Sublease"** shall have the meaning set forth in Section 5.9, the form of which is attached as Exhibit D.

**"Site"** shall have the meaning set forth above, and as further described on Exhibit A.

**"Stadium Authority"** shall mean the Stadium Authority of the City of Pittsburgh, a body corporate and politic.

**"Statutory Rent"** shall mean those sums payable by the Team to the Authority, to be remitted by the Authority to the Commonwealth, pursuant to Chapter 5 of the Capital Facilities Act, as further set forth in Section 4.4..

**"Substantial Completion"** shall mean that the work related to the construction and development of the Project (or separate units or phases as provided in the DCM Agreement) is essentially and satisfactorily complete in accordance with the DCM Agreement, the Related Agreements, and related documents, such that the Project is ready for opening to the general public and full occupancy or use by the Team (it being understood that, without limitation, all suites, Concessions and other income generating areas and all areas servicing the general public

shall be ready for full operation without material inconvenience or discomfort). A minor amount of work, as determined by and at the discretion of the Team and its Bridging Consultant (as defined in the DCM Agreement), such as installation of minor accessories or items, a minor amount of painting, minor replacement of defective work, minor adjustment of controls or sound systems, or completion or correction of minor exterior work that cannot be completed due to weather conditions, will not delay determination of Substantial Completion. For purposes of Substantial Completion, specified areas of the entire work or Project may be individually judged as substantially complete. In no event shall Substantial Completion be deemed to have occurred unless such certificates required by all Applicable Laws for opening of the Project to the general public have been issued to the Team.

**"Successor Landlord"** shall have the meaning set forth in Section 16.20.

**"Surcharge Rent"** shall have the meaning set forth in Section 4.2(d).

**"Team Agents"** shall have the meaning set forth in Section 13.3 hereof.

**"Team Environmental Losses"** shall have the meaning set forth in Section 13.2.

**"Team-Indemnified Persons"** shall have the meaning set forth in Section 11.5.

**"Team Representative"** shall mean the person or persons authorized to execute this Lease on behalf of the Team, and/or the person or persons authorized by the Team to act on behalf of the Team with respect to matters related to this Lease.

**"Ticket Revenues"** shall mean revenues (net of Amusement Tax and Ticket Surcharge) from the sale of tickets to all regular season, playoff and exhibition baseball games played by the Team at the Ballpark, and shall include revenues from all seating within the Ballpark, including without limitation tickets sold for Premium Seating and other seating sold within the Ballpark.

**"Ticket Surcharge"** shall mean a surcharge of five percent (5%) of the total admission price which shall be imposed on all tickets to all Events at the Ballpark (provided, however, that the Ticket Surcharge shall not be imposed on any premium portion of the ticket price for Premium Seating tickets, provided further that (i) the ticket price of Premium Seating tickets for purposes of the Ticket Surcharge shall be equal to the highest priced non-Premium Seating tickets), (ii) the Ticket Surcharge will not be payable on the amount of any premium charged on tickets for Premium Seating, and will further exclude the value of complimentary tickets issued by the Team in the ordinary course of its business.

**"Total Garage Revenues"** shall have the meaning set forth in Section 5.12.5.

**"Turnstile Attendance"** shall mean, collectively, the total number of patrons that attend Home Season Games at the Ballpark during the applicable season.

"**Untenantability Period**" shall mean any period following the damage or destruction of the Leased Premises by fire or other casualty during which the Leased Premises cannot be reasonably used for baseball.

"**URA**" shall mean the Urban Redevelopment Authority of Pittsburgh, a body corporate and politic.

"**URA Loan Agreement**" shall mean the Second Amended and Restated Equity Participation Loan Agreement dated as of May 31, 2000, by and between the URA and the Team.

"**Utilities and Services**" shall have the meaning set forth in Article 9.

"**Work Stoppage**" shall have the meaning set forth in Section 10.3.1 hereof.

### ARTICLE 3.

#### TERM

##### 3.1. Lease Term.

The initial term of this Lease (the "**Initial Term**") shall commence on the Commencement Date and shall continue thereafter until the Expiration Date (as defined below), unless otherwise terminated in accordance with the terms herein. The "**Commencement Date**" shall mean the later of (a) February 15, 2001, or (b) a date that is ten (10) days following the delivery of written notice delivered by the Authority to the Team that Substantial Completion of the Project has occurred, but in no event will the Commencement Date be prior to December 1, 2000. When the Commencement Date is established, the parties will execute and deliver an "Acknowledgment of Commencement Date" in the form attached to this Lease as Exhibit C, and the Lease will expire on October 31, 2030 (the "**Expiration Date**") which date shall be set forth in the Acknowledgment of Commencement Date. Notwithstanding the foregoing, the Authority hereby agrees that the Team shall have the right to occupy certain portions of the Premises consisting of the Team's administrative offices prior to the Commencement Date, upon Substantial Completion thereof, but in no event prior to December 1, 2000, and such occupancy shall be on all of the terms and conditions hereof other than the amount of Rent payable.

##### 3.2. Extension Term.

So long as the Team is not then in default of any of the provisions of this Lease, the Team may elect to extend the Term for one (1) extension period of five (5) years (the "**Extension Term**") by providing the Authority not less than one (1) year's prior written notice of such exercise. Upon exercise of the Extension Term, it shall be deemed to be part of the Term, and throughout the Extension Term all of the terms and conditions contained in this Lease, other than Rent, shall remain in effect and the Team shall have no additional rights to extend the Lease Term. The Initial Term, and if elected the Extension Term, are referred to in this Lease as the "**Lease Term.**"

ARTICLE 4.

RENT

4.1. Date of Payment.

Team shall pay Rent to the Authority at the address set forth in Article 16, or at such other address as may be given in writing by Authority to Team. Rent payable under Section 4.2.1(a) will be payable in advance on or before April 1 of each Lease Year, with the remaining amounts due under Section 4.2.1 payable in arrears on November 15 of each Lease Year, with any amounts subsequently determined to be due in connection with the preparation of the financial reports prepared under Section 4.3 below payable in a lump sum, on or before the following February 28. All Rent shall be paid on the applicable due date, without notice, demand, counterclaim, offset or deduction, except as otherwise specifically set forth herein.

4.2. Rent Formula.

4.2.1. Elements of Rent. Rent shall consist of the aggregate of the following:

(a) Base Rent. \$100,000 per year; and

(b) Excess Gate. (i) 5% of all Ticket Revenues in excess of the sum of \$44,500,000 up to and including \$52,500,000 and (ii) 10% of all Ticket Revenues in excess of the sum of \$52,500,000, subject to adjustment as provided in this subsection (collectively, "**Excess Gate**"). Such Ticket Revenue thresholds of \$44,500,000 and \$52,500,000 are based upon 2001 dollars, and these thresholds shall be adjusted annually in each Lease Year after the first Lease Year during the Lease Term (but will not be decreased) by a percentage equal to the percentage increase in the Average Ticket Price; if there is no increase, or if in any Lease Year the Average Ticket Price decreases, then the thresholds will remain the same as in the preceding Lease Year. Provided further, for purposes of this subsection, Ticket Revenues shall exclude (i) any premium charged on tickets for Premium Seating (it being understood that the price of tickets for Premium Seating for purposes hereof shall be equal to the highest priced non-premium seating tickets), and (ii) the value of complimentary tickets issued by the Team in the ordinary course of its business.

(c) Excess Concession Revenue. The sum of: (i) if the Team's arrangement with the concessionaire or concessionaires selected by Team entitles Team to receive more than 42% of the aggregate Gross Concession Revenue for sales at all Home Season Games, Team shall pay to Authority 5% of the excess over 42% and 10% of the excess over 45% of Gross Concession Revenues, and (ii) 5% of Team's receipts from Gross Food and Beverage Revenues (net of taxes) within the Ballpark from Home Season Games in excess of nine dollars (\$9.00) per game per person actually in attendance (such \$9.00 figure to be adjusted in the first season of operation in the Ballpark, from 1997 dollars to 2001 dollars, and annually thereafter, all in accordance with CPI Increases; however, that any increase in such payment due solely to a decline in attendance shall not result in an increase in payment to Authority, as follows: to the

extent that Turnstile Attendance at the Ballpark declines in any season below the level of Turnstile Attendance at the Ballpark in the first season of operation at the Ballpark (the "**Base Year**") and Per Capita Food and Beverage Revenue increases in any season beyond that attributable to general food and beverage price increases, the ratio of the percentage decrease in Turnstile Attendance to the percentage increase in Per Capita Food and Beverage Revenue from the Base Year, net of general price increases, shall be applied to the then current season's Per Capita Food & Beverage Revenue, calculated by: (a) dividing the then current season's Turnstile Attendance by the Base Year's Turnstile Attendance; and (b) multiplying the product in (i) by the then current season's Per Capita Food and Beverage Revenue. The obligation of the Team under this subsection will be determined on an annual basis. Provided, further, that to the extent that Team receives any upfront contribution from a concessionaire selected for the Ballpark, then the benefit to which the Authority would otherwise be entitled in accordance with this subsection shall be preserved for Authority by Team.

(d) Ticket Surcharge. The Team shall receive and retain the first \$1,500,000 of Ticket Surcharge in each Lease Year. The next \$375,000 of Ticket Surcharge in each Lease Year, as such sum is adjusted annually by CPI Increases, shall be paid to the Authority and shall be immediately deposited by the Authority into the Capital Reserve Fund (such amount being called the "**Capital Reserve Deposit**"). The next \$250,000 of Ticket Surcharge in each Lease Year shall be paid to the Authority as Additional Rent and may be used by the Authority in such manner as it deems appropriate (such amount being called the "**Surcharge Rent**"). All proceeds of the Ticket Surcharge exceeding the sum of \$2,125,000 per Lease Year (subject to the adjustment of the original sum of \$375,000 by CPI Increases as provided above) shall be paid to and retained by Team. In addition, the Team hereby agrees to impose the Ticket Surcharge commencing in the 2000 baseball season and to make the payments described herein in such season.

The Authority acknowledges and agrees that the Team's consent to the imposition of the Ticket Surcharge is premised upon the Amusement Tax being at a level of not more than five percent (5%). In the event that the Amusement Tax is increased to a rate greater than five percent (5%), the Authority shall reimburse the Team for any amounts of Amusement Tax paid by the Team and/or any Affiliate of the Team in excess of 5% as set forth herein. Such reimbursement shall be made only: (i) from the available funds of the Authority from payments due to the Authority pursuant to Sections 4.2.1(b) and 4.2.1(c) of this Article 4, and (ii) in the event that the Authority and the Team do not enter into the Option Agreement as contemplated in Section 5.12 below, and in Exhibit G, , from any Game Day Option Area Net Parking Revenues which the Authority is not otherwise obligated to pay to the Team or into the Pirates North Shore Development Fund pursuant to Section 5.12 below.

(e) Rent Reduction. Notwithstanding the foregoing, to the extent Surcharge Rent is paid hereunder, the amount of Excess Gate and Excess Concession

Revenue that would otherwise be payable shall be reduced in any Lease Year, dollar for dollar, by the amount of Surcharge Rent paid hereunder.

4.2.2. Additional Rent. The Rent to be paid by the Team during the Lease Term will include an amount equal to the expenses of operation and maintenance of the Ballpark to be paid directly by the Team, which operation and maintenance obligations are further described below. The Authority and the Team intend that all costs, charges, and expenses relating to the use, occupancy, repair and maintenance of the Leased Premises, including but not limited to, assessments for improvements, utility charges, insurance, operation, maintenance and repairs (other than those items which are defined as Capital Repairs), which may arise or become due during the Lease Term shall be paid by the Team, and the Team hereby agrees to indemnify, defend and hold harmless the Authority from and against the same.

4.3. Accounting Matters.

4.3.1. Records. Team shall and hereby agrees to keep and maintain during the Lease Term and for a period of three (3) consecutive years following the end of each Lease Year, permanent, complete and accurate financial records for (i) the operations of the Ballpark, and (ii) the operations of the Team, for each such Lease Year, which records shall be maintained in accordance with GAAP, and which records shall be audited not less than annually by the Accountants.

4.3.2. Financial Reporting, etc.

(i) Team shall submit to Authority on or before February 28 of each Lease Year, beginning February 28, 2002, a complete and accurate financial statement with respect to the operations of the Ballpark during the prior Lease Year, prepared on a cash basis, and in a form reasonably acceptable to the Authority, certified as accurate and correct by the chief financial officer of the Team. This financial statement will clearly indicate the components of Rent payable under Section 4.2 above, including without limitation records relating to (a) Statutory Rent payable and allowable deductions under Section 4.4, (b) Excess Gate, (c) Excess Concession Revenue, and (d) Ticket Surcharge, all of which shall be in form acceptable to the Authority, certified by the Accountants, and further certified as accurate and correct by the chief financial officer of the Team.

(ii) Team shall submit to Authority on or before February 28 of each Lease Year, beginning February 28, 2001, a complete and accurate annual audited financial statement prepared by the Accountants in accordance with GAAP.

(iii) Within 120 days after the end of each Lease Year, Team shall provide to Authority a statement from the Accountants which states that in the conduct of its audit performed under Section 4.3.2.2, nothing came to its attention which caused the Accountants to reasonably conclude that Team was not in compliance with the covenants of Section 4.2 of this Lease relating to payment of Rent, and relating to accounting, payment, distribution or auditing matters.

4.3.3. Authority Inspection and Audit. All financial records of the Team shall be open to the inspection and audit of the Authority and its representatives or agents during the Lease Term and for a period of three (3) years thereafter, which inspection shall occur at the Team's office, following reasonable notice. Authority shall have the right to review and examine all documents and materials in the possession of the Team relating to the financial statements submitted to the Authority under subpart 4.3.2(i) above, the Team's management of the Ballpark and Team's expenditures relating to the leasing and operation of the Leased Premises, including without limitation, any and all contracts entered by Team with third-party non-Affiliates, to determine if all expenditures and contract terms were reasonable, and to determine the accuracy of any statements, schedules or other information provided under the terms of this Lease.

4.4. Statutory Rent.

4.4.1. Amounts Payable. The Team covenants and agrees to make three payments of Statutory Rent to the Authority of \$25,000,000.00 each, reduced by available credits under Sections 4.4.3 and 4.4.4 below. Said additional rental payments shall be due in the Lease Year immediately following the expiration of the first ten-year period of the Initial Term, at the expiration of the next ten-year period thereafter and at the expiration of the Initial Term. Payments shall be made to the Authority which shall remit such Statutory Rent payments to the Commonwealth.

4.4.2. Payments Due. Payments shall be made to the Authority by the Team within one hundred twenty (120) days following the end of the appropriate Lease Year. The Team shall provide documentation acceptable in form and substance to the Commonwealth of all credits claimed. The Team shall submit to the Commonwealth, annually within one hundred twenty (120) days following the end of each Lease Year, a compilation of the credits that will be claimed for that tax year together with such supporting documentation of those credits as may be required by the Commonwealth.

4.4.3. Credits. The credits available for the first ten-year period of occupancy shall be amounts of eligible taxes paid to the Commonwealth in respect of that ten-year period which exceed the product of the Base Line Tax Amount multiplied by 7.5. The credits available for next two periods of occupancy shall be the amounts of eligible taxes paid to the Commonwealth in respect of each of those periods which exceed the product of the Base Line Tax Amount multiplied by 10.

4.4.4. Eligible Taxes. Eligible taxes available for credits shall include all of the following:

- (i) an amount equal to all corporate net income tax, capital stock and franchise tax and personal income tax paid to the Commonwealth by the Team.
- (ii) an amount equal to:
  - (A) all personal income tax withheld from its employees and paid to the Commonwealth by the Team;

(B) all personal income tax withheld from the employees of any provider of events at the Ballpark and paid to the Commonwealth;

(C) all personal income tax withheld from the employees of any provider of services to or at the Ballpark and paid to the Commonwealth;

(D) all personal income tax withheld from the employees of any an enterprise in the Ballpark or an enterprise developed by or for the Team as part of the Ballpark complex and paid to the Commonwealth; and

(E) all personal income tax to which the Commonwealth would be entitled from performers or other participants, including visiting teams, at an event or activity at the Ballpark.

(iii) An amount equal to all sales and use tax paid to the Commonwealth, the City or the County related to the operation of the Team and the Ballpark and enterprises developed by or for the Team as part of the Ballpark complex. This clause includes sales and use tax paid by any provider of events or activities at, or services to, the Ballpark for events or services provided to or at the Ballpark, including sales and use tax paid by vendors and concessionaires and contractors at the Ballpark related to their operations at the Ballpark.

(iv) An amount equal to all tax paid, by the Team or by any provider of events or activities at, or services to, the Ballpark, to the Commonwealth related to the sale of any liquor, wine or malt or brewed beverage in the Ballpark.

(v) The amount paid to the Commonwealth by the Team or by any provider of events or activities at, or services to, the Ballpark for events or services provided to or at the Ballpark, of any new tax enacted by the Commonwealth following the effective date of the Capital Facilities Act.

(vi) an amount equal to one-third of the following, incurred prior to the occupancy or lease of the Ballpark:

(A) all personal income tax withheld from personnel by the Team or by a contractor or other entity involved in the construction or renovation of the Ballpark related to work performed at or for the Ballpark and paid to the Commonwealth; and

(B) sales and use tax paid to the Commonwealth, the City or the County on materials and other construction costs, whether withheld or paid by the Team or other entity, directly related to the construction or renovation of the Ballpark.

4.4.5. Carryover of Credits. To the extent the amount of the credits available for a specific ten-year period exceeds \$25,000,000, the excess may be carried over and added to the amount of credits claimed under this Section 4.4 for the following ten-year period. Any excess credit still remaining shall be carried over to subsequent ten-year periods until it is exhausted or until the expiration of Chapter 5 of the Capital Facilities Act, whichever is sooner.

4.4.6. Maintenance of Records. Notwithstanding anything set forth elsewhere in this Lease, the Team will maintain complete and adequate records relating to credits against Statutory Rent for the duration of the Initial Term, and for a period of seven (7) years thereafter. Those records will be available for audit of the Authority as provided in subpart 4.3.3 above, and will be further subject to audit upon the request of appropriate officials of the Commonwealth.

4.5. Rent During Extension Term.

Rent payable by the Team during the Extension Term will be negotiated in good faith between the Team and the Authority.

4.6. Payment of Rent.

All sums payable by Team under this Lease to the Authority shall be paid in legal tender of the United States by wire transfer or by check drawn on a U.S. bank (subject to collection), at the address to which notices to Authority are to be given or to such other party or such other address as Authority may designate in writing. Authority's acceptance of Rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion.

ARTICLE 5.  
USE OF PREMISES

5.1. Suitability for Use.

Acceptance by the Team of the Leased Premises shall, for all purposes of this Lease, establish that the Leased Premises are in all respects, fit for their intended purpose and suitable for use as of the Commencement Date. The Authority makes no warranties of habitability or fitness for purpose with respect to the Leased Premises. Team shall use and operate the Ballpark for public assemblies, the holding of athletic contests and exhibitions, sporting events and tournaments, conventions, musical and dramatic performances and other business, social, cultural, scientific and recreational events, as is an appropriate use of the Ballpark in the sound judgment of the Team, provided that the Ballpark shall not be used for the playing of football games.

5.2. Revenues from Events.

Team shall be responsible for marketing and scheduling all Events (other than "**Community Events**" and Commonwealth Events) and will, subject to the required payments of

Rent under Section 4.2 above and except as otherwise specifically set forth herein, retain 100% of the Revenues from all Events.

5.3. Public Use - Community Events.

Notwithstanding anything to the contrary in this Lease, Team shall have the exclusive right to possess and use the Ballpark during all MLB Events. The City, County and Authority shall have the right to use the Ballpark for up to three (3) civic, cultural or community events and activities, which events will be sponsored by and for the benefit of nonprofit organizations, such as non-commercial not-for-profit youth athletic events, or for not-for-profit civic celebrations as designated by the Authority ("**Community Events**") during each Lease Year, commencing with the Commencement Date. Events of a political nature and commercial events will not be permitted. Community Events shall only be scheduled on dates approved by Team, and Authority shall provide not less than ninety (90) days written notice to Team of dates on which it desires to schedule Community Events. Such notice shall include the date, time and length of events as well as a general description of the event. Community Events may not be scheduled on dates previously scheduled by the Team, and Community Events shall be moved to another date if the Ballpark is required for an MLB Event. No Community Event will be permitted that will, in the reasonable judgment of the Team, result in damage to, or unreasonable use of the Ballpark, including without limitation the playing surface of the Ballpark. Team shall have the right to cancel any Community Event if the Team determines, in its reasonable and good faith judgment, that such Community Event will result in damage to, or unreasonable use of, the playing surface of the Ballpark. In determining whether to cancel any Community Event, the Team will consider (i) the intensity of the proposed use with respect to its potential adverse impact on the playing surface of the Ballpark and (ii) the timing of such Community Event with respect to the date of the next MLB game to be played in the Ballpark. All net revenues derived from Community Events sponsored by nonprofit entities shall be distributed to the sponsoring entities. The Team shall not charge rental or a license, use or other fee for use of the Ballpark for a Community Event, but shall be reimbursed for out-of-pocket operating expenses, and costs relating to the operation of Concessions (i.e., expenses, including without limitation, additional utilities, insurance and security, personnel and maintenance and repair costs) that would not be incurred but for the Community Event ("**Community Event Operating Expenses**") attributable to the use of the Ballpark for each Community Event. Payments due to the Team for Community Event Operating Expenses shall be made within 30 days after submission of an invoice by the Team to the Authority stating in detail the expenses incurred. The Authority shall comply and shall cause all others to comply with the rules and regulations developed by Team with respect to the Ballpark and shall carry, and provide to Team evidence of, general liability insurance with respect to any such Community Event.

5.4. Use by the Commonwealth.

The Commonwealth shall further have the right to use the Ballpark for up to three (3) non-commercial not-for-profit events during each Lease Year ("**Commonwealth Events**"), on any date that the Ballpark is not scheduled or reserved for an MLB Event or a Non-MLB Event. Events of a political nature and commercial events will not be permitted. Commonwealth Events

shall only be scheduled on dates approved by Team, and the Commonwealth, through the Authority, shall provide not less than ninety (90) days written notice to Team of dates on which it desires to schedule Commonwealth Events. Such notice shall include the date, time and length of events as well as a general description of the event. Commonwealth Events may not be scheduled on dates previously scheduled by the Team, and Commonwealth Events shall be moved to another date if the Ballpark is required for an MLB Event. No Commonwealth Event will be permitted that will, in the reasonable judgment of the Team, result in damage to, or unreasonable use of the Ballpark, including without limitation the playing surface of the Ballpark. Team shall have the right to cancel any Commonwealth Event if the Team determines, in its reasonable and good faith judgment, that such Commonwealth Event will result in damage to, or unreasonable use of, the playing surface of the Ballpark. In determining whether to cancel any Commonwealth Event, the Team will consider (i) the intensity of the proposed use with respect to its potential adverse impact on the playing surface of the Ballpark and (ii) the timing of such Commonwealth Event with respect to the date of the next MLB game to be played in the Ballpark. All net revenues derived from Commonwealth Events sponsored by nonprofit entities shall be distributed to the sponsoring entities. The Team shall not charge rental or a license, use or other fee for use of the Ballpark for a Commonwealth Event, but shall be reimbursed for out-of-pocket operating expenses, and costs relating to the operation of Concessions (i.e., expenses, including without limitation, additional utilities, insurance and security, personnel and maintenance and repair costs) that would not be incurred but for the Commonwealth Event ("**Commonwealth Event Operating Expenses**") attributable to the use of the Ballpark for each Commonwealth Event. Payments due to the Team for Commonwealth Event Operating Expenses shall be made within 30 days after submission of an invoice by the Team to the Commonwealth through the Authority stating in detail the expenses incurred. The Commonwealth shall comply and shall cause all others to comply with the rules and regulations developed by Team with respect to the Ballpark and shall carry, and provide to Team evidence of, general liability insurance with respect to any such Commonwealth Event.

#### 5.5. Announcements.

Authority, on behalf of the City and County, shall have the right, at no cost to Authority, City, or County, to use the Communication System for disseminating public service community announcements and announcements concerning future Community Events and Commonwealth Events at such reasonable times, over the course of each Event, as are designated by Team. Up to three (3) announcements per game may be scheduled, provided that not more than one (1) such announcement may be made over the public address system. During Community Events or Commonwealth Events, Authority shall have the right to permit the sponsor of the Community Event or Commonwealth Event to use the Communication System on its behalf for any purpose related to its charitable or non-profit activities. In addition, Team shall, upon Authority's request, from time to time, at reasonable times designated by Team, place announcements and advertisements concerning Community Events or Commonwealth Events in a prominent location on the marquee sign or signs placed on the Premises which are used to advertise Team Events, provided, however, that the placement, frequency and timing of such announcements and

advertisements shall be consistent with Team's practices for placement, frequency and timing of advertisements with respect to Team Events and shall be subject to the restrictions imposed by the Team's sponsorship, naming rights, marketing and advertising agreements and subject to Baseball Rules and Regulations.

5.6. Compliance With Laws.

Team shall comply with and conform to all present and future laws, codes, ordinances, regulations and orders of all applicable governmental or quasi-governmental authorities having jurisdiction over the Leased Premises, and relating in any manner whatsoever to the Team's use and occupancy of the Leased Premises, and Team shall procure and maintain all licenses, approvals and permits required for its business and for the operation of the Ballpark.

5.7. Assignment of Warranties.

The Team will have the benefit of all warranties relating to construction, and to fixtures, machinery and equipment installed in the Ballpark that are made and delivered by either (i) the Design and Construction Manager or (ii) any manufacturer of any fixtures, machinery and equipment, and the Authority hereby assigns and transfers, to the fullest extent assignable and transferable to the Team, during the Lease Term, all of its right, title and interest in and to all such warranties. Notwithstanding the foregoing, to the extent that any such warranties impose duties of indemnification upon the maker, the Authority and the Team will share such right of indemnification as their interests may appear. Following the occurrence of an Event of Default after the expiration of any applicable grace or cure period, all of the right, title and interest of the Team in and to all such warranties, shall forthwith vest in the Authority.

5.8. Authority Reservation of Luxury Box; Tickets and Services.

The Authority reserves for itself, and through the Authority, other units of government (including, without limitation, the City, County, Commonwealth, RAD and Stadium Authority), without payment of additional rent, fees or charges, the use of one Luxury Suite, to be located at a location to be agreed by the parties. The Authority Luxury Suite will include, without additional charge, tickets to all MLB Events. Food, beverage and other services to the Authority's Luxury Suite will be furnished by the Team through its Concession agreements at the same prices paid by the Team under such Concession agreements. In addition the Authority will be furnished with (i) eight (8) additional Field Box tickets to each MLB Event, and (ii) not less than four (4) parking spaces at a location comparable to those spaces provided to holders of other Luxury Suites.

5.9. Use by River Rescue.

Pursuant to the River Rescue Sublease, the Team will sublease, which sublease is hereby approved by the Authority, approximately two thousand (2,000) square feet of space in the southeasterly section of the Leased Premises to the City for use as a facility by the City's River Rescue Unit. This space will be located in the proximity of the existing River Rescue docking and boathouse facility. The term of the River Rescue Sublease will be coterminous with the

Lease Term, and rent will be payable in the amount of \$1.00 per year, payable in advance. The form of River Rescue Sublease is attached hereto as Exhibit D.

5.10. Docking Rights.

In connection with the development and construction of the Ballpark, the Team may install docking facilities along the North Shore of the Allegheny River, at a location to be approved by the Authority and the City, so that temporary access by river craft bringing patrons to all Events (which term, solely for purposes of this Section 5.10, includes Community Events and Commonwealth Events) will exist. River craft may be located on the North Shore of the Allegheny River pursuant to the Docking Rights for purposes related to development of the North Shore of the Allegheny River, subject to the prior written approval of, and in the discretion of, the Authority and the City. Except to the extent so approved, no river craft will be docked for any period of time in excess of that needed to load and unload passengers attending Events. The Authority will not impose fees on river craft loading or unloading passengers attending Events at the Ballpark, but will have the right to impose fees on river craft otherwise located pursuant to the Docking Rights, in such amounts as are determined pursuant to negotiation between the Team and the Authority. All development on the North Shore of the Allegheny River adjacent to the Premises pursuant to the Docking Rights is further subject to such additional approval processes as the City, or other Governmental Authority having jurisdiction, may impose.

5.11. Authority Office.

At a location to be agreed within the Ballpark, in proximity to the Team offices, the Authority will be furnished with a private office and reception area for its use, which will contain approximately 200 square feet, and be located at street level or above. This office will be delivered in a finished condition (excluding furnishings) suitable for use as a business office. If, however, at any time during the Lease Term, it is necessary for the Authority, or its designee, to assume management responsibilities with respect to the Premises, the Team will furnish additional office space in amounts sufficient for the Authority to fulfill its management responsibilities, but in no event less than three thousand (3,000) square feet of contiguous finished space at street level or above. The office space initially to be furnished to the Authority will be finished in connection with the construction of the Ballpark, at no additional cost to the Authority. The cost of finishing any additional space, as well as all costs related to maintenance and repair of any space furnished to the Authority under this Section 5.11, will be paid by the Team, and the Authority will have no responsibility for such costs. Moreover, the Authority will pay no rent or utilities, except the cost of telephone and communications services. Cleaning and routine maintenance, including periodic painting and replacement of carpeting (subject to Article 10) will also be provided by, and at the cost of the Team.

5.12. Parking.

The Authority hereby affirms its obligations to provide parking facilities for the Ballpark as follows:

5.12.1. General Parking. The Authority shall ensure the availability for use in connection with Events (i.e. available for use by the general public at least two (2) hours before

the time of an Event) of at least 5,000 parking lot spaces within 3,000 feet of the Ballpark (which spaces will not include any on-street parking), located on the North Shore of the City, as depicted generally on Exhibit H, whether owned or operated by the Authority or other Person(s) (the "**General Parking Spaces**"); provided however, such spaces may be coextensively available for other purposes during Events; provided, further, however, the Authority agrees that as to spaces under control of the Authority or the Stadium Authority (i) on any day on which an Event is scheduled to begin prior to 5:00 p.m., the General Parking Spaces will not be made available to the public until two (2) hours prior to the time when the Ballpark gates are scheduled to be opened to the public, and any person parking in the General Parking Spaces on such day will be required to pay the Event rate for such day and (ii) with respect to Event days involving an Event beginning after 5:00 p.m., the Authority and the Stadium Authority will cooperate with the Team to create a mechanism to (x) ensure parking availability to the Team for all Events, and (y) cause any person who is attending an Event and parking in a General Parking Space to pay the Event parking rate for such day.

5.12.2. Permanent Surface Parking Spaces. The Authority shall ensure the availability for use in connection with Events of 1,100 surface parking lot spaces in the Option Area in the vicinity west of the Ballpark, whether owned or operated by the Authority or other Persons, which spaces are depicted on Exhibit H as "Surface Parking" (the "**Permanent Surface Parking Spaces**"); provided, however, that except as otherwise provided in this **Section 5.12.2**, the Permanent Surface Parking Spaces may also be coextensively available for other purposes during Events. The Team acknowledges and agrees that the Permanent Surface Parking Spaces shall be included within the 5,000 General Parking Spaces referred to in **Section 5.12.1** above. The Team shall be paid on a quarterly basis by the Authority or the Stadium Authority one hundred percent (100%) of the Event Permanent Surface Net Parking Revenues, provided, however, that the Authority or the Stadium Authority shall have no obligation to pay such Event Permanent Surface Net Parking Revenues to the extent that Permanent Surface Parking Spaces have been eliminated with consent of the Team and the Pittsburgh Steelers National Football League Franchise (it being further agreed that the neither the Authority nor the Stadium Authority shall have the right to relocate or otherwise eliminate any of the Permanent Surface Parking Spaces without the consent of both the Team and the Pittsburgh Steelers, which consent may be withheld in the sole and absolute discretion of either such entity). The Authority's obligations hereunder are contingent on, and subject to the rights of ALCO Parking in certain of such spaces.

5.12.3. Daily Parking Spaces. The Authority shall lease or shall cause to be leased to the Team or its employees, in consideration for payment by the Team to the Authority of an amount to be agreed upon between the Authority and the Team (provided that such amount shall in no event exceed \$70,000, as adjusted by CPI Increases), 150 parking spaces within the Option Area and/or the Lots 7A-7J (subject to ALCO's approval), at a location to be agreed upon between the Authority and the Team, for use at all times, 365 days a year, during the Lease Term, for daily parking by the Team, the Franchise and their respective employees, agents and

invitees (the "**Daily Parking Spaces**"). The provisions of this Section 5.12.3 shall be integrated with the master lease program set forth in Section 5.12.6(b) below.

5.12.4. No Reduction in General Parking Spaces. The Authority covenants and agrees that with the exception of temporary losses of parking spaces due to the construction of separate structures or the maintenance of existing structures on the Site or on the North Shore, whether the parties enter into the Option Agreement or not, the Authority shall not take any action, nor fail to take any action, which would permit a reduction in the total number of General Parking Spaces required to be available pursuant to Section 5.12.1 above. The Authority further agrees to use commercially reasonable efforts to cause the total number of General Parking Spaces to be increased in future years. In the event that some number of the General Parking Spaces are eliminated due to commercial development or road construction on such spaces (or any other reason), the Authority shall ensure the availability of the same number of parking spaces in alternative areas on the North Shore within 3,000 feet of the Ballpark whether owned or operated by the Authority or other Person(s). In the development of new structures or other projects on the North Shore, the Authority shall at all times comply with, and attempt to cause compliance by third parties with, the provisions of this Agreement, and specifically this Section 5.12.

5.12.5. North Shore Garages. The Authority shall use commercially reasonable efforts to construct three (3) new parking garages in the North Shore area of the City, two (2) of which shall be located in the Option Area (the "**Option Area Garages**") and one of which shall be located on General Robinson Street, between Federal Street and Sandusky Street (the "**General Robinson St. Garage**") (the Option Area Garages and the General Robinson St. Garage shall be referred to collectively as the "**North Shore Garages**"). To pay the Garage Operating and Financing Costs of the General Robinson St. Garage, the Authority shall utilize the revenues received by the Authority or the Stadium Authority from the operation of the General Robinson St. Garage and the surface parking lots designated on Exhibit H as Lots 7A through 7J. Only to the extent that these designated revenues are insufficient to cover the Garage Operating and Financing Costs on the General Robinson St. Garage, Non-Event Option Area Net Parking Revenues may be applied by the Authority to pay the Garage Operating and Financing Costs of the General Robinson St. Garage. To pay the Garage Operating and Financing Costs of the Option Area Garages, the Authority may, with the consent of the Team, which consent may be granted or withheld by Team in its sole and absolute discretion, utilize the Non-Event Option Area Net Parking Revenues which are deposited to the Pirates North Shore Development Fund (as defined below).

5.12.6. Future Development and Parking Revenues.

(a) The Authority and the Team agree that future development of the Option Area is critical to the continuing success of the Ballpark, convention tourism, and economic development of the City and County. In connection with their desire to support such future development, the Authority, the Stadium Authority of the City of Pittsburgh, and the Team intend to enter into an agreement which contains their mutual agreement with respect to future development in the Option Area (the "**Option Agreement**"), the

terms of which shall include, among other things, the items listed on Exhibit G attached hereto. The Authority and Team acknowledge and agree that it is anticipated and intended that the Option Agreement will be entered into by the Authority (on its own behalf, or pursuant to a cooperation agreement with the Stadium Authority of the City of Pittsburgh) as one party, and a joint venture or partnership (or other arrangement as approved by the Authority), including the Team and the Pittsburgh Steelers, as the other party. As such, the terms "Team" and "Authority" as used in any provisions related to the Option Agreement shall, as appropriate, be deemed to mean such joint venture or partnership, and the Authority, or the Stadium Authority, as the case may be.

(b) In consideration of (i) the investment of private equity provided by or arranged by the Team, (ii) the Team's commitment to cover construction cost overruns in the construction of the Ballpark and (iii) the Team's agreement to pay the costs of operating and maintaining the Ballpark, all as set forth in the Lease and Development and Operating Agreement between Authority and Team, (iv) the Team's foregoing of certain parking revenues otherwise generated by the Option Area, and in further consideration of the Team's interest in the parking and traffic plan necessary for Team to operate on the Site, the Authority covenants and agrees that if the Authority, the Stadium Authority, and the Team do not, by December 31, 2000 (unless extended by mutual agreement of the parties hereto, or as extended as set forth in Exhibit G hereto) ("**Option Negotiation Period**") of the date of the execution of this Lease, enter into the Option Agreement, the Authority shall nonetheless consult with the Team during any discussions either of them may undertake with third parties concerning the development of the Option Area. The Authority, in consideration of the time spent and expenses heretofore incurred by Team in evaluating the future development of the Option Area, hereby agrees that Team shall have the exclusive right to negotiate with the Authority as to the future development of the Option Area during the Option Negotiation Period, and the Authority and the Team will undertake such negotiations seriously and in good faith; the intention being that Team, and the Authority will negotiate in good faith, using all reasonable efforts, to reach a development plan acceptable to both parties, and to execute the Option Agreement. In addition, prior to entering into any form of development agreement or arrangement with a third party, the Authority shall be obligated to obtain Team's prior approval of such arrangements solely for purposes of (x) insuring conformity with design and development standards created through the master planning process, (y) assuring the Authority's compliance with its commitment regarding parking availability and (z) assurance that the Authority will share with the Team the revenue derived from the sale or lease of property in the Option Area for the purpose of offsetting the Team's funding of the annual operating and maintenance costs of the Ballpark and the loss of parking and development revenues that otherwise would have derived for such purposes by the Team from the Option Area.

(c) The Authority will provide (subject to approval by ALCO) for a master leasing program from the Authority to the Team (including all parking spaces in the Option Area or replacement spaces in the North Shore Garages or other garages, as permitted above, including all parking spaces in Lots 7A through 7J, so long as inclusion

of such Lots 7A-7J does not negatively impact the financing of the General Robinson St. Garage) for the purpose of providing to the Team a parking availability program for Event and Team-employee parking, the Authority agreeing to work cooperatively with the Team to establish a pricing program consistent with the nature of the Team's Events. The master parking program will include the Authority establishing (to the extent otherwise permitted by law) a "permit parking" system for daily, non-Event parking (and Event parking before 4:00 p.m.) on the "Avenue of the Pirates." The Authority will work cooperatively with the Team to assist the Team in identifying and obtaining usage of parking (within shuttle distance) for use of Event day staff.

(d) In further consideration of the investment of private equity provided by or arranged by the Team as set forth above, the Authority covenants and agrees that during the Option Negotiation Period set forth above, 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 absolute discretion.

(e) If the Authority, the Stadium Authority and the Team enter into the Option Agreement within the Option Negotiation Period, the Authority shall establish a development fund ( the "**Pirates North Shore Development Fund**"), as a segregated fund of the Authority, separate and apart from other funds of the Authority. In the event that the Pirates North Shore Development Fund is established in accordance with the preceding sentence, (i) all Event Option Area Net Parking Revenues (excluding revenues generated from the use and operation of Permanent Surface Parking Spaces) shall be deposited into the Pirates North Shore Development Fund; (ii) the Authority shall also deposit into the Pirates North Shore Development Fund an amount of Non-Event Option Area Net Parking Revenues equal to, but not to exceed, the amount of Event Option Area Net Parking Revenues deposited into the Pirates North Shore Development Fund (less amounts, if any, used to pay for Garage Operating and Financing Costs), to the extent such funds are received by and available to the Authority or the Stadium Authority; (iii) all (100%) of the net annual fees paid by Team to the Authority for the Team's Event parking spaces shall be deposited into the Pirates North Shore Development Fund; and (iv) all funds in the Pirates North Shore Development Fund shall be expended in accordance with the Option Agreement. If Non Event Option Area Net Parking Revenues received by the Authority or the Stadium Authority during any calendar year are less than the aggregate amount of Event Option Area Net Parking Revenues received by the Team and the Pittsburgh Steelers during that calendar year, then the Authority will allocate such revenues proportionately, based upon the Event Option Area Net Parking Revenues actually received by each such entity. Event Option Area Net Parking Revenues which are generated from the use and operation of the Permanent Surface Parking Spaces shall in no event be subject to contribution to the Pirates North Shore Development Fund. The Option Area is the area of land on the North Shore of the City depicted on Exhibit H as the "Option Area." In no event shall the Authority be required to deposit funds into both the Pirates North Shore Development Fund and the Steelers North Shore Development Fund for the use of the same parking space, and the joint

venture/partnership agreements for the Option Area between the Team and the Steelers shall provide for allocation of any payments made by the Authority in the event of overlapping events.

(f) If the parties do not enter into the Option Agreement within the Option Negotiation Period, (i) the Authority and the Stadium Authority shall reimburse to the Team, on an annual basis, one-half (50%) of the net annual fees paid by Team for the Event parking spaces, and (ii) the Team shall be paid by the Authority and the Stadium Authority on a monthly basis, fifty percent (50%) of the Event Option Area Net Parking Revenues received by the Authority or the Stadium Authority from parking spaces located within the Option Area other than Permanent Surface Parking Spaces, provided, however, that so long as the Authority has met its obligations under this Section 5.12, neither the Authority nor the Stadium Authority shall have any obligation to pay such Event Option Area Net Parking Revenues derived from surface parking spaces (other than Permanent Surface Parking Spaces) to the extent such surface parking spaces located within the Option Area are no longer under the control of the Authority or the Stadium Authority. Except as the Authority is otherwise authorized herein to sell, convey, lease or develop all or a portion of Option Area hereunder, the Authority covenants and agrees that it shall not give up control of any parking spaces located within the Option Area, and that the Authority shall obtain the identical agreement of the Stadium Authority not to give up control of any such spaces, without the prior written consent of the Team, which consent shall be granted or withheld by Team in its sole and absolute discretion.

5.12.7. Additional Matters.

(a) Whether or not the Pirates North Shore Development Fund is established, to the extent that the aggregate amount of parking revenues received in connection with the North Shore Garages (the "**Total Garage Revenues**") exceeds the aggregate amount of any Garage Operating and Financing Costs, the Team shall be paid (on an Annual Basis throughout the Term) an amount equal to (i) the remainder of the Total Garage Revenues minus the Garage Operating and Financing Costs, multiplied by (ii) a fraction, the numerator of which is the Total Garage Revenues generated by an Event and the denominator of which is the Total Garage Revenues.

(b) Notwithstanding any of the foregoing, Team and the Authority agree that whether or not the Pirates North Shore Development Fund is established, and whether or not the parties enter into the Option Agreement, during the Term of this Lease, Team shall be entitled to receive from the Authority or Stadium Authority all Event Permanent Surface Net Parking Revenues actually received by the Authority or Stadium Authority and all such revenue shall be remitted to the Team on a quarterly basis.

(c) All financial records of the Authority and the Stadium Authority, and all documents and materials in either party's possession, related to the operation of General Parking Spaces under control of the Authority or the Stadium Authority, and the

North Shore Garages, shall be open to the inspection and audit of the Team and its representatives during the Lease Term and for a period of four (4) years thereafter, which inspections shall occur following reasonable notice.

ARTICLE 6.  
ASSIGNMENT AND SUBLETTING

6.1.Prohibition Against Assignment.

Except as otherwise provided in this Article 6, the Team shall not assign or transfer this Lease or any of the Team's rights or obligations hereunder, or sublet the Premises or any part thereof, or enter into any management, operation or similar agreement with respect to the operation or management of the Ballpark, without the Authority's prior written consent. For purposes hereof, (i) the sale or more than fifty percent (50%) of the direct or indirect voting equity interests of the Team or (ii) the direct or indirect substitution of the General Partner of the Team shall be deemed to be an assignment. Notwithstanding the foregoing, the Authority will consent in writing to any assignment of this Lease provided that, after giving effect to such assignment (a) the Team will have a ratio of assets to liabilities of not less than sixty percent (60%) to forty percent (40%) determined in accordance with the definitions and standards established by MLB and (b) the Team will have not less than \$5,000,000 in working capital to be devoted exclusively to baseball operations or under a line of credit (in form and substance satisfactory to the Authority), subject to CPI Increases. The approval of the Executive Director of the Authority to subleases for retail and office use of portions of the Ballpark will be given if the proposed usage is consistent with (i) the operation of the Ballpark as a first-class sports and family-oriented entertainment facility and (ii) the development of the North Shore area (it being agreed by the parties that such retail leases are intended to be incidental to the public purpose of developing the North Shore area), and (iii) any rental or other periodic payments payable pursuant to such agreement shall be paid substantially proportionately over the term of the agreement. Notwithstanding any assignment, sublet or transfer, or the execution of any management or similar agreement, whether or not in violation of this Lease, and notwithstanding the acceptance of any Rent by the Authority from an assignee, transferee or any other party, the Team and each successor lessee shall remain fully liable for the payment of the Rent, the Statutory Rent and all additional sums required to be paid to the Authority by the Team under this Lease or any Related Agreement, and the performance of the Team's other obligations under this Lease. The Authority's consent to any assignment, subletting or occupancy, or management or similar agreement, or the Authority's acceptance or collection of Rent from any assignee, sublessee or occupant, shall not be construed (a) as a waiver or release of the Team from liability for the performance of any obligation to be performed under this Lease by the Team, or (b) as relieving the Team or any assignee, sublessee or occupant from the obligation of obtaining the consent of the Authority to other matters for which its consent is required. All restrictions and obligations imposed upon the Team pursuant to this Lease shall be deemed to extend to any sublessee or assignee of the Team, and the Team shall cause such persons or entities to comply with all such restrictions and obligations. Notwithstanding the foregoing, upon any assignment of this Lease and provided, that the Authority has consented in writing to such assignment where

such consent is required, and that the assignee assumes all of the obligations of the Team hereunder and under the Related Agreements pursuant to an Assignment and Assumption Agreement in form and substance reasonably acceptable to the Authority, the Team shall be released from all obligations thereafter arising hereunder or under any of the Related Agreements.

6.2. Mortgaging of Lease and/or Leasehold Estate of Team.

The Team shall have the right to pledge or mortgage this Lease and/or its leasehold interest in the Premises to a commercial lending institution regularly engaged in the making of commercial loans (a "**Lender**") as security for financing provided to the Team by such Lender from time to time, provided that, notwithstanding any term, covenant or condition in any document or instrument required by the Lender and related to such financing, in the event of any enforcement of remedies by that Lender against the Franchise, or any other rights or interests granted by the Team to the Lender, or this Lease, or the leasehold interest of the Team in the Premises, the Lender will be bound by all terms of this Lease, and the Related Agreements, including without limitation those relating to relocation of the Franchise, except as may otherwise be specifically agreed in writing between the Authority and such Lender. The Team will ensure that the terms of this Section 6.2 are disclosed to any Lender, and reference to this Section will be made in a memorandum of this Lease to be placed of record in Allegheny County, Pennsylvania; the form of memorandum of lease is attached to this Lease as Exhibit F.

ARTICLE 7.  
OPERATIONS

7.1. Team's Covenants.

7.1.1. Management. Team shall manage and operate all aspects of the Ballpark, subject to Authority's and the Commonwealth's right to use the Ballpark for Community Events and Commonwealth Events, as provided in Article 5 above.

7.1.2. Operations. At all times during the Lease Term, and subject to the obligation of the Authority to fund Capital Repairs under Article 10 below, Team shall operate the Ballpark as a first class sports facility comparable with similar baseball stadia in the United States housing MLB teams.

7.1.3. Duties of Team. Team shall do all things and take all actions, and expend such funds, as may be necessary or desirable for the operation of the Ballpark in accordance with this Lease throughout the Lease Term. Without limiting the generality of the foregoing, Team, at all times throughout the Lease Term, shall:

(a) Commence, defend and settle in good faith such legal actions or proceedings concerning the operation of the Ballpark as are necessary or required in the reasonable opinion of Team; retain counsel in connection with such defense; and notify Authority in writing of the commencement of any legal action or proceeding and advise

Authority of the progress of any such legal action or proceeding. Upon request, Team shall send to Authority copies of all legal documentation relating to such legal actions.

(b) Employ, train, pay, supervise and discharge all personnel and/or engage such independent contractors, as Team determines in its sole discretion to be necessary for the operation of the Ballpark. All personnel of Team used in carrying out its duties under this Lease shall be employees of Team, and not Authority.

(c) Maintain or cause to be maintained all necessary licenses, permits, approvals and authorizations required by any Governmental Authority, for the operation of the Leased Premises.

7.1.4. Maintenance of Existence. At all times during the Lease Term, the Team will maintain its existence as an entity organized under the laws of the Commonwealth, and will not dissolve or liquidate, or change its form of existence, without the prior written consent of the Authority, which consent shall be given or withheld pursuant to such standards as may be set forth in the Development Agreement.

7.1.5. Maintenance of Franchise. At all times during the Lease Term, the Team shall (i) maintain its membership and Franchise in the MLB in good standing, (ii) hold, maintain and defend its rights and franchise to play baseball as a member of MLB in the City, and (iii) use reasonable efforts to oppose the adoption of any MLB rules or procedures that would limit its ability to comply with any of the terms of this Lease. If any such MLB rule or procedure is adopted despite the reasonable efforts of the Team to oppose its adoption, the Authority acknowledges that the Team has agreed to comply with such MLB rule or procedure.

7.1.6. Maintenance of Corporate Headquarters, etc. At all times during the Lease Term, the Team will maintain its headquarters and its principal place of business within Allegheny County, Pennsylvania, and will maintain all of its training facilities and camps and related facilities and activities, other than spring training facilities and minor league franchises, within the Commonwealth.

7.1.7. Occupancy of the Ballpark. The Team will remain and conduct MLB games at the Ballpark for the duration of the Lease Term, as further set forth in Article 8 below, and in the Development Agreement. The Team further acknowledges that if it violates this covenant, the Authority, the URA and the Commonwealth have the right to seek both equitable relief and damages as further agreed in this Lease, the Related Agreements and the Capital Facilities Act.

7.1.8. Notice of Sale, etc. If at any time the Team enters into a commitment, either orally or in writing, with any Person to sell, transfer, assign or convey any interests in the Team or in its General Partner(s) or other managing entity, where the prior written consent of the Authority to the transaction is required under this Lease or any Related Agreement, in addition to the notice required under Section 8.2 below, the Team will immediately furnish written notice to the Authority and to the Commonwealth in the manner set forth in Section 16.1 below.

7.1.9. Successors Bound. If at any time during the Lease Term this Lease is assigned or the Premises sublet, or any interests in the Team or in its General Partner(s) or other managing entity are sold, transferred, assigned or conveyed, and the consent of the Authority to any such transaction is required under this Lease or any Related Agreement, the Team will, as a condition to any such transaction, undertake to ensure that any successor entity be bound by all terms, covenants and conditions of this Lease and the Related Agreements, and such successor will execute and deliver to the Authority such documentation evidencing that undertaking as is requested by the Authority.

7.1.10. Maintenance and Repair. At all times during the Lease Term, the Team will perform such maintenance and repair, and comply with all other obligations relating to the management and operation of the Ballpark, as are required by this Lease, including without limitation, Article 10 hereof, and the Related Agreements.

7.1.11. Commonwealth and Community Events. The team will make the Ballpark available for Community Events and Commonwealth Events as is further set forth in Sections 5.3 and 5.4 hereof respectively.

7.1.12. Compliance with Grant Agreement, etc. The Team will, at all times during the Lease Term, comply with the following requirements set forth in the Grant Agreement, a fully executed copy of which has been furnished to the Team:

- (a) Steel Products Procurement Act, 73 P.S. 1881, et seq.;
- (b) Trade Practices Act, 71 P.S. 773.101, et seq.;
- (c) Public Works Contractor's Bond Law of 1967, 8 P.S. 891;
- (d) Pennsylvania Prevailing Wage Act, 43 P.S. 165-1, et seq.;
- (e) Americans with Disabilities Act, 42 U.S.C. 12101, et seq.; and
- (f) The Nondiscrimination Provisions set forth in the Grant Agreement and in the Development Agreement.

7.1.13. No Power to Bind. Team shall have no power to bind Authority, except as specifically approved in writing in advance by the Authority.

7.1.14. Affordable Seating. On or before the Commencement Date, and on or before February 28 of each Lease Year thereafter, the Team will submit to the Authority, and to the Commonwealth, for the approval of the Authority, and the Commonwealth, a plan to provide affordable seating for Home Season Games, in portions of the Ballpark. This plan will identify in detail the number and location(s) of seats designated as affordable, the number and dates of games in which seats designated as affordable will be available, ticket prices to be charged, youth or other special admission programs, and the means by which information relating to the availability of affordable tickets will be publicized.

7.2. Team Revenues.

The Team shall be entitled to receive and retain all Revenues from all Events (except as otherwise specifically set forth herein), including without limitation the following:

7.2.1. Gate Receipts. Team shall retain 100% of all Ticket Revenues (net of the Amusement Tax and Ticket Surcharge), except as otherwise provided in Articles 4 and 5, Rent and Use of Premises, hereof.

7.2.2. Concessions. Team shall be responsible for the selection and negotiation of the Ballpark's Concessions contracts, provided, that, the list of eligible concessionaires with which the Team may contract and the contract provisions affecting construction of concession areas shall be subject to approval by the Authority, which approval shall not be unreasonably withheld, delayed or conditioned. Team shall retain 100% of all Concession revenues, subject to payment of a portion of Concession revenues as Rent, as provided in Section 4.2, hereof. All commissions payable to the Team by any concessionaire shall be paid substantially proportionately over the term of the agreement with such concessionaire.

7.2.3. Non-MLB Events. Team shall be responsible for marketing and scheduling all Non-MLB Events, and will retain 100% of the Revenues from Non-MLB Events.

7.2.4. Luxury Suites and Premium Seating. Team shall retain 100% of the revenue generated from Luxury Suites and Premium Seating, and, except as may otherwise be agreed between the parties, shall be responsible for the marketing and sale of Luxury Suites and Premium Seating.

7.2.5. Novelties and Programs. The Team shall be responsible for the marketing and sale of novelties and programs and shall retain 100% of the revenue generated therefrom.

7.2.6. Outside Marquee. Team shall be responsible for the marketing and sale of one or more outside marquees, if the Team so elects, and shall retain 100% of the revenue generated therefrom.

7.2.7. In-Stadium Advertising. Team shall be responsible for the marketing and sale of in-stadium advertising (including, without limitation, virtual signage) and shall retain 100% of the revenue generated therefrom.

7.2.8. Naming Rights. Team shall have the naming rights to the Ballpark, and shall retain 100% of the revenue generated from the sale of naming rights to the Ballpark.

7.2.9. Retail Uses. Team shall retain 100% of the rents and other sums payable to the Team under any sublease for retail use at the Ballpark.

7.3. Operating Budget.

On or before February 15, 2001, with respect to the first Lease Year, and on or before October 1 of each Lease Year thereafter, Team shall submit its proposed Ballpark Operating Budget for the succeeding Lease Year (including, without limitation, a detailed itemization of the Team's estimated maintenance expenditures) to the Authority. The Operating Budget shall provide sufficient funds to ensure that the Team will perform prudent and ordinary maintenance to the Ballpark on an annual basis.

7.4. Operation of Concessions.

The Team shall operate all Concessions. The Team or its licensees or sublicensees shall have the right to sell to the general public at all times at the Ballpark food, beverages, alcoholic beverages, clothing, novelties, and other items, as deemed appropriate by Team in its reasonable judgment. The kind, quality and price of such items shall be consistent with the following:

(i) all products for human consumption shall be stored, handled, prepared and served until delivery to the consumer in accordance with all Applicable Laws and operating requirements applicable to food storage, handling, preparation and service and in compliance with the highest applicable sanitation rating from any Governmental Authority having jurisdiction;

(ii) all Concessions shall be operated in a manner consistent with the operation of a first class sports facility; and

(iii) food and beverage offerings shall be similar in quality to those offered at comparable MLB stadia in markets of similar size.

The Team will offer to its concessionaires the right of first refusal to furnish suitable Concessions at Community Events and Commonwealth Events; provided that all net revenues from Concessions sold at Community Events and Commonwealth Events shall be paid as provided in the contracts between the Team and its concessionaires. If the Team's concessionaires elect for any reason not to furnish concessions at Commonwealth Events or Community Events, the Authority may permit other arrangements, provided that concession facilities of the Ballpark may not be used except with the permission of the Team.

7.5. Ticket Surcharge.

The Team shall impose and collect the Ticket Surcharge throughout the Term.

7.6. Occupancy of the Ballpark by Subtenants, etc.

The occupancy of concessionaires, subtenants, or other persons or entities in occupancy of the Ballpark under authorization of the Team will not, in any event, extend beyond the expiration of the Lease Term.

ARTICLE 8.  
OPERATING AND NON-RELOCATION COVENANTS

8.1. Operating Covenant.

The Team acknowledges that its commitment to play all of its Home Season Games at the Ballpark is a material inducement for the Authority to undertake development of the Project, and to enter into this Lease. Accordingly, the Team covenants that, during the Lease Term, subject to Force Majeure, any Untenantability Period and to Baseball Rules and Regulations (i) it will play all of its Home Season Games at the Ballpark, together with all of such of the Team's post-season games as may be scheduled by MLB at the Ballpark, (ii) the Team will maintain its business offices at the Leased Premises, and (iii) without the prior written consent of the Authority, which may be granted or withheld in the discretion of the Authority, the Team will not play any game that would otherwise be scheduled as a Home Season Game at any other facility.

Notwithstanding the foregoing, the Team may play up to three (3) Home Season Games elsewhere during each season (in addition to any games played elsewhere as a result of Force Majeure or during any Untenantability Period), if so requested by MLB. Provided however, if the proceeds of the Ticket Surcharge are not sufficient to satisfy the obligation of the Team to pay the sum of \$375,000 (as adjusted by CPI Increases) to the Authority in any Lease Year, as required under Section 4.2(d) above, the Team will be obligated to pay to the Authority an amount equal to five percent (5%) of the gross proceeds of ticket sales at Home Season Games played elsewhere, up to the amount then so required to be paid.

8.2. Covenant Not to Relocate.

In consideration for the participation of the Authority and the Commonwealth in this Project, the Team affirmatively covenants, during the Lease Term, (i) not to relocate or attempt to relocate the Franchise outside the City during the Initial Term, and (ii) not to initiate or participate in discussions that would be intended to result in the relocation of the Franchise during the Initial Term. In accordance with such covenant, the Team further agrees not to make an application to MLB to sell, pledge, encumber, assign, transfer or otherwise dispose of the Franchise without providing thirty (30) days' prior written notice of such intended application to the Authority and to the Commonwealth. These covenants shall expire only upon the expiration of the Initial Term. The Team hereby agrees to request acknowledgment of the terms hereof from MLB. It shall be a condition to any sale, pledge, encumbrance, assignment, transfer or other disposition that any new owner or controlling entity of the Franchise shall execute a counterpart of this Lease, the Development Agreement and the URA Loan Agreement and assume the obligations of the Team thereunder.

8.3. Unique Nature of Agreement.

The Team and the Authority agree that the rights and duties established in this Article 8 are of a unique and special nature. The Team and the Authority agree that any violation of this Article 8 will result in immediate and irreparable harm to the Authority and that in the event of

any actual or threatened breach or violation of any of the provisions of this Article 8, the Authority will be entitled as a matter of right to an injunction or a decree of specific performance without bond from any equity court of competent jurisdiction. The Team waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law. Nothing in this Lease will be construed as prohibiting the Authority from pursuing any other remedies at law or in equity available to it for such breach or violation or threatened violation; provided, however, that in no event shall the total amount of any damages assessed against the Team arising from a breach of its covenant under Section 8.2 (or comparable provisions in any Related Agreement) exceed the "Maximum Repayment Obligation", as such term is defined in the URA Loan Agreement.

ARTICLE 9.  
UTILITIES

Team shall be solely responsible for and promptly pay or cause to be paid all charges or taxes for heat, water and sewer, gas, electricity, telephone, communications and any other utilities and services rendered to or used on or about the Premises (including all costs of maintenance, repair, pest control, security, waste removal and janitorial, elevator and escalator services, collectively "**Utilities and Services**"). In no event shall Authority be liable for an interruption or failure in the supply of any Utilities and Services to the Premises. The Authority shall use its best efforts to obtain in favor of the Team rates for the provision of utility services at the lowest rates reasonably available.

ARTICLE 10.  
REPAIRS, MAINTENANCE AND ALTERATIONS

10.1. Team's Covenants.

At all times during the Lease Term, and subject to such provision for Capital Repairs and Capital Improvements as are made pursuant to this Article, Team shall at its sole cost and expense: (a) keep and maintain the Premises and all equipment, machinery and fixtures located thereon, including any facilities developed on or along the Allegheny River pursuant to the Docking Rights, in compliance with all Applicable Laws and MLB requirements, and in good, clean, safe and sanitary condition and repair, as a first-class sports facility, and make all ordinary and necessary repairs and replacements required for the day to day operation of the Ballpark; (b) maintain or cause to be maintained all necessary licenses, permits, approvals and authorizations for the operation of the Premises; (c) maintain the playing field and all landscaping on the Premises; (d) perform ordinary maintenance required to keep that parcel of real property reconveyed by the Authority to the City pursuant to a certain Agreement dated March 1, 1999, and located between the Site and the Allegheny River (the "**Riverfront Park**"), in a neat and orderly condition, free of litter and debris, with grass and shrubbery in trim and with snow and ice removed from walking paths; (e) maintain all portions of the Premises outside of the Ballpark in good condition, free of litter and debris, and with all grass and shrubbery in

trim. The Team will be responsible for snow and ice removal, and for performing ordinary maintenance to preserve the safe condition of all sidewalks and other structures located on the Premises, outside of the Ballpark; and (f) not commit waste or destroy, demolish, vacate or abandon any part of the Premises. Maintenance work anticipated as being necessary, to be performed on an annual basis, will be identified in the annual Ballpark Operating Budget, which portion of the Ballpark Operating Budget shall be subject to review and approval (which shall not be unreasonably withheld) of the Authority. All repairs and replacements shall utilize materials or component parts of substantially the same quality as those being repaired or replaced. At the expiration or earlier termination of the Lease Term, Team shall surrender the Premises in good condition and repair, normal wear and tear and damage by fire or other casualty excepted.

#### 10.2. Authority's Covenants.

The Authority shall establish and control the Capital Reserve Fund. During each Lease Year the Capital Reserve Fund shall receive deposits as provided in this Lease. Subject to the terms of this Article 10, Authority will pay the cost of Capital Repairs, and, following ten (10) years after the Commencement Date (except as otherwise agreed upon pursuant to Section 10.13 hereof), Capital Improvements. The Authority will have no obligation with respect to any Capital Improvements during the first ten (10) Lease Years, (except as otherwise agreed upon pursuant to Section 10.13 hereof). The obligation of the Authority to authorize payment of the cost of Capital Repairs, and Capital Improvements, from moneys available in the Capital Reserve Fund will be subject to such conditions as are set forth in this Article 10.

#### 10.3. Capital Reserve Fund: Payment for Capital Repairs.

##### 10.3.1. Establishment of Fund.

(a) The Authority shall establish a Capital Reserve Fund as a segregated fund of the Authority, separate and apart from other funds of the Authority. Prior to the end of the first Lease Year, the Authority will deposit \$3,000,000 into the Capital Reserve Fund. Thereafter, during each Lease Year, the Authority shall deposit not less than \$650,000 into the Capital Reserve Fund, which sum shall include any amounts deposited into the Capital Reserve Fund pursuant to Section 4.2.1(d) above. All funds in the Capital Reserve Fund shall be invested by the Authority in the same manner as other Authority funds, and in compliance with Applicable Laws. Investment income earned on the amounts in the Capital Reserve Fund shall be added to the principal of the Capital Reserve Fund and used as provided in this Article 10.

(b) Notwithstanding anything to the contrary contained elsewhere in this Lease, any proceeds remaining unspent from the construction of the Ballpark after application of such proceeds in accordance with Section 2.4(a) of the Development Agreement shall also be deposited into the Capital Reserve Fund. Such unspent monies may be utilized at the discretion of the Team and subject to the approval of the Authority, which approval shall not be unreasonably withheld, conditioned or delayed, during a period of two (2) years following the Commencement Date to make required

modifications and upgrades and enhancements to the Ballpark. However, these unspent monies will not be available to pay the cost of repairs required in substantial part as a result of Design and/or Construction Defects until after the Team has made reasonable good faith efforts to have the parties responsible correct such defects.

(c) Notwithstanding the foregoing, the Authority's obligation to make deposits into the Capital Reserve Fund during any Lease Year that any player strike, lockout or other player work stoppage occurs (a "**Work Stoppage**") will be reduced dollar for dollar by the amount by which proceeds payable to the Authority by the Team pursuant to this Lease are reduced during such Lease Year as a result of such Work Stoppage. Payments from the Capital Reserve Fund shall be reduced, with respect to each Capital Improvement (as distinguished from Capital Repair) made subsequent to such Work Stoppage, by an amount (each a "**Payment Reduction**") equal to the total cost of such Capital Improvement multiplied by a fraction, the numerator of which is the amount of all reductions to the deposits to the Capital Reserve Fund resulting from Work Stoppages occurring prior to such date (collectively, the "Deposit Reductions"), as provided in the immediately preceding sentence, and the denominator of which is the total amount that would have been deposited into the Capital Reserve Fund but for any such reductions with such adjustments to payments from the Capital Reserve Fund being made until the Deposit Reductions have been fully amortized. The Payment Reductions shall be the responsibility of the Team.

By way of example, if in Year 5 the Ticket Surcharge payment to the Capital Reserve Fund is reduced by \$100,000 due to a Work Stoppage, then the Authority's contribution to the Capital Reserve Fund is reduced by \$100,000.

Further, then if in Year 12, the Team requests a Capital Improvement of \$1,000,000, the funding of said Capital Improvement from the Capital Reserve Fund would be calculated as follows, assuming that but for the Work Stoppage, the Capital Reserve Fund would have had deposits of \$4,000,000:

Payment Reduction:

$$\begin{array}{r r r r r} \$1,000,000 & \times & \frac{\$ 100,000}{\$4,000,000} & = & \$25,000 \end{array}$$

Amount Funded:

$$\begin{array}{r r r r r} \$1,000,000 & - & \$25,000 & = & \$975,000 \end{array}$$

10.3.2. Use of Funds. The proceeds of the Capital Reserve Fund will not be used for ordinary maintenance and repairs, but shall be limited solely to Capital Repairs and Capital Improvements as set forth herein. Subject to the terms of this Lease, the Authority shall pay the cost of Capital Repairs and Capital Improvements from the Capital Reserve Fund. To the extent that funds in the Capital Reserve Fund are not sufficient to pay the cost of Capital

Repairs, and Capital Improvements, as required by the terms of this Lease, the Authority shall otherwise obtain funding to pay for such Capital Repairs and Capital Improvements. The obligation of the Authority to authorize payment of the cost of Capital Repairs and Capital Improvements from moneys available in the Capital Reserve Fund shall be subject to such conditions as are set forth in this Article 10.

10.3.3. Payment. All withdrawals from the Capital Reserve Fund or from other Authority funding applied toward the construction of any Capital Repair or Capital Improvement made in accordance with this Section, shall be distributed pursuant to such procedures as the Authority and the Team may establish. All withdrawals from the Capital Reserve Fund for the purpose of making Capital Repairs or Capital Improvements shall be countersigned by both parties. Any party refusing to sign such withdrawal request shall deliver to the other party a statement of the basis (with reasonable detail) for such recipient's objection thereto.

10.3.4. Annual Report. On or before March 31 of each Lease Year, beginning March 31, 2002, the Authority will submit to the Team a financial statement prepared by the chief financial officer of the Authority, certified as correct and accurate, and identifying (i) all funds deposited into the Capital Reserve Fund since the date of the prior report (or in the case of the first report, since the inception of the fund), (ii) all interest and investment earnings, and (iii) all distributions from the Capital Reserve Fund to the date of the financial statement, indicating the reason for the distribution.

10.4. Capital Repairs.

10.4.1. Capital Repairs. Subject to the provisions of this Lease, all Capital Repairs and, to the extent provided in Section 10.3.8, Emergency Repairs shall be made by the Authority or Team, as required by and at the times and subject to the terms and provisions of this Article 10. "**Capital Repairs**" shall be defined as:

- (a) prudent, extraordinary repairs and replacements;
- (b) repairs that have a useful economic life (as intended to be used in the Ballpark) of greater than seven (7) years;
- (c) repairs and replacements that are reasonably necessary to maintain the roof, foundation and the structural integrity of the Premises, and preserve its usefulness for the purposes for which it is being leased hereunder; or
- (d) such repairs, replacements, modifications or additions required by Applicable Laws or required by the Team's insurance carrier as a condition to its willingness to provide or continue to provide insurance at commercially reasonable rates (taking into account the type of facility, use and geographic location of the Ballpark; provided further that the Team's insurance carrier regularly insures publicly owned arenas and stadia comparable to the Ballpark); provided, no modifications or additions that should have been made so as to cause the Ballpark to comply with Applicable Laws as of the time of construction of the Ballpark shall be deemed to be Capital Repairs.

Capital Repairs shall also include:

(A) painting of, or application of sealants, waterproofing and protective coatings to, substantial areas of the Ballpark; provided that no such work shall be deemed to be a Capital Repair if required to be performed within five (5) years after the prior painting or application of protective coatings to such area;

(B) replacement of substantial amounts of carpeting; provided that no such replacements in Public Areas of the Ballpark shall be deemed to be Capital Repairs if required within four (4) years after the prior replacement and no such replacements in other areas of the Ballpark shall be deemed to be Capital Repairs if required within seven (7) years after the prior replacement;

(C) to the extent necessitated by ordinary wear and tear, replacement of Ballpark seats or seat standards, or the cement into which the seat is affixed;

(D) major repairs, replacement, or upgrades of components to the field lighting;

(E) major repairs of components of the Communication System and the Scoreboard (including the control room, message board, videoboard, bulbs and circuit breaker panels);

(F) major repairs to, or replacement of, cracked or disintegrated concrete, broken pipes, or leaking roof or sections thereof;

(G) replacement of HVAC compressors or any material part thereof;

(H) cleaning of the exterior facade of the Ballpark no more often than once every seven (7) years;

(I) major repairs to or replacements of mechanical, electrical, HVAC and plumbing systems; and

(J) resodding of the playing field as a result of disease, blight or widespread introduction of another species of grass (except to the extent that such condition could have been prevented by routine maintenance).

10.4.2. Capital Repairs not to Include. Notwithstanding the foregoing provisions, Capital Repairs shall not include:

(a) regular, periodic maintenance procedures stipulated in operating manuals or warranties for stadium components;

(b) periodic painting or the application of protective coatings more frequently than once every five (5) years;

(c) repairs to carpeting or replacement of carpeting in Public Areas of the Ballpark more frequently than once every four (4) years and in other areas of the Ballpark more frequently than once every seven (7) years;

(d) upgrades to components of the scoreboard more frequently than once every seven (7) years;

(e) upkeep of the exterior facade of the Ballpark, or cleaning the exterior facade of the Ballpark more frequently than once every seven (7) years;

(f) routine maintenance of plumbing systems, electrical and lighting systems, mechanical systems or heating, ventilation or air conditioning systems, including, without limitation, periodic cleaning, lubrication and changing of filters;

(g) fixtures, finishes, build-out materials and supplementary equipment in any public or private restaurants or other retail establishments in the Ballpark that are occupied and operated pursuant to a sublease or similar arrangement (except that, if any third party operator of a restaurant or retail establishment in the Ballpark that is occupied or operated other than pursuant to a sublease retains responsibility for repair and replacement of the fixtures, furnishes and build-out materials in such space, such items shall also be excluded from the definition of Capital Repairs);

(h) regular maintenance of elevators and escalators;

(i) groundskeeping, including, without limitation, mowing, seeding, fertilizing and routine maintenance of the playing surface;

(j) preparation of the playing field each year;

(k) resodding of portions of the playing surface and resodding due to a condition that could have been prevented by routine maintenance;

(l) replacement of light bulbs, fuses and circuit breakers (other than components of the field lighting);

(m) replacement of items of property damaged by misuse that could have been prevented by prudent security measures or by routine maintenance;

(n) painting and repainting to delineate parking spaces in parking areas within the Leased Premises;

(o) modifications or additions necessary to comply with Applicable Laws in effect at the time of construction of the Ballpark;

(p) items covered under warranty or covered by insurance; or

(q) repairs required in substantial part as a result of Design and/or Construction Defects.

10.4.3. Design and Construction Defects. The Authority and the Team will jointly pursue against the parties responsible the cost of repairs required in substantial part as a result of design and/or construction defects, whether or not covered by a warranty. If any claim by the Authority or the Team is successful, any funds expended by the Authority to correct design or construction defects will be reimbursed.

10.4.4. Performance of Capital Repairs and Capital Improvements. The Authority may require, or the Team may propose, that Capital Repairs (or after ten (10) Lease Years following the Commencement Date, Capital Improvements) be made to the Leased Premises. If either the Authority or the Team knows of or discovers any Applicable Laws necessitating a Capital Repair or Capital Improvement, or any condition or defect in, damage to, or alteration of the physical structure, fixtures, appurtenances, machinery, equipment, furniture, systems, surfaces or any other component of the Leased Premises necessitating a Capital Repair or Capital Improvement, or which, in such party's reasonable opinion, makes such Capital Repair or Capital Improvement necessary or advisable, such party shall promptly notify the other of such matter. If the Team proposes a Capital Repair or Capital Improvement, it shall submit its request in writing to the Authority specifying the proposed work and representing that such work falls within the definition of Capital Repairs or Capital Improvements set forth in this Agreement. The Team's proposal must include cost estimates, and proposed timetables. The Authority shall review such request and determine, in its reasonable judgment, (i) whether such proposed work is a Capital Repair or Capital Improvement and (ii) whether the Authority, the Team, or some other entity will be primarily responsible for performance of the work. The Authority shall not unreasonably withhold or delay its response to the Team's proposal under this subpart, but no such delay shall be construed to impose any obligations on the Authority.

Notwithstanding the foregoing and notwithstanding anything contained in this Lease, or in any Related Agreement, to the contrary, except as provided in this paragraph below: (a) for the first two (2) Lease Years, the Capital Reserve Fund shall not be available to pay for any Capital Repairs, (b) during the third Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs costing in the aggregate in excess of \$300,000, (c) during the fourth Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs costing in the aggregate in excess of \$350,000, and (d) during the fifth Lease Year, the Capital Reserve Fund shall not be available for any Capital Repairs costing in the aggregate in excess of \$450,000. The Team will be responsible for any costs incurred in excess of the foregoing amounts; provided, however, that the limitation set forth in (a) above shall not apply to Capital Repairs defined in Section 10.4.1(d) or to Emergency Repairs and the limitations set forth in (b), (c) and (d) above shall not apply to the Capital Repairs defined in Sections 10.4.1(a) or 10.4.1(d) or to Emergency Repairs.

10.4.5. Preparation of Capital Repair Plans. In the case of Capital Repairs and Capital Improvements reasonably requiring the services of an architect, the Authority and the Team shall work with an architect selected by the Team after consultation with the Authority to

prepare construction drawings and specifications for making such Capital Repairs and Capital Improvements (the "**Capital Repair Plans**"). The architect's fees and expenses and all other costs associated with making the Capital Repair Plans shall be paid out of the Capital Reserve Fund, or from such other source of funding as may otherwise be available to the Authority. Such Capital Repair Plans shall be commercially reasonable in light of the then-expected remaining useful life of the Ballpark. The Team and the Authority each agree that it will not unreasonably withhold, delay or condition its review and approval of such Capital Repair Plans, but no such delay shall be construed to impose any obligations on the Authority.

10.4.6. Construction of Capital Repairs and Capital Improvements. After the Capital Repair Plans (including samples and contracts) have been reviewed and approved by the Authority, the Team, except as provided in Section 10.8, or unless otherwise agreed in writing by the parties, shall cause the Capital Repairs and Capital Improvements to be made and carried out in accordance with the Capital Repair Plans. The Team shall make all Capital Repairs and/or Capital Improvements unless the parties hereto agree otherwise, or unless the Authority makes such Capital Repairs and/or Capital Improvements pursuant to the terms of this Lease. The party which is responsible for making such Capital Repairs and Capital Improvements shall have the exclusive and unconditional right to control the site on which the Capital Repairs will be made; provided, however, the Authority shall conduct the Capital Repairs and Capital Improvements for which it is responsible so as to prevent or at least minimize as much as practicable (a) inconvenience to patrons of Events at the Ballpark; (b) any reduction in seating capacity and parking spaces at the Ballpark and (c) interference with Team's (or Event patron's) use or enjoyment of the Ballpark. The party which is responsible for making such Capital Repairs and Capital Improvements shall have the exclusive right to select and enter into contracts with any and all contractors, subcontractors, suppliers, vendors, architects, engineers, construction managers, project managers, consultants or other entities or individuals with respect to the completion of the Capital Repairs and Capital Improvements for which such party is responsible; provided, all such contracts shall be entered into on an arms-length basis at commercially reasonable rates and in compliance with Applicable Laws. Neither the Team, nor its general partner(s), key employees or Affiliates shall receive fees or profit from such contracts. Each party shall use its best efforts to obtain for the benefit of both parties from each contractor and subcontractor engaged by such party, commercial warranties for all work performed by such contractor or subcontractor. Capital Repairs and Capital Improvements must be completed to a standard of quality comparable to that of the original component. In the event that the work completed is unsatisfactory then all reasonable remedies must be sought against the architect, contractor or subcontractor. The Authority and the Team each shall use reasonable efforts to ensure that the work performed by each contractor and subcontractor with which they contract is performed in a good and workmanlike manner and in accordance with the Capital Repair Plans, and in compliance with Applicable Laws.

10.5. Capital Repair and Capital Improvement Audit.

On the fifth (5th) anniversary of the Commencement Date, and each five (5) years thereafter during the Lease Term, the Authority shall, as an expense of the Capital Reserve Fund, or from other funds available to the Authority, provide the Team with a structural and capital

component inspection report prepared by a licensed professional engineer, reasonably acceptable to the Team, having at least ten (10) years of experience in performing structural and capital component inspections of commercial buildings, including stadia, and otherwise qualified to provide the information required hereunder. Such engineer shall report on the condition of the structure and each capital component of the Leased Premises, which report shall include suggestions for any Capital Repairs and Capital Improvements that are necessary to the Leased Premises.

10.6. Emergency Repairs.

Subject to the terms of this paragraph, Emergency Repairs shall be made by the Team. If the Authority, in its reasonable discretion, determines that such repair qualifies as a Capital Repair or Capital Improvement, the Capital Reserve Fund shall be an eligible funding source for such repairs. In making Emergency Repairs, the Team shall comply with the requirements of Applicable Laws, and in any case, the costs of such Emergency Repairs shall be eligible for reimbursement to the Team from the Capital Reserve Fund by the Authority only if the Team has complied with all Applicable Laws. If the Team fails to make an Emergency Repair for which it is otherwise responsible in a timely manner, the Authority may elect to make such Emergency Repairs, and unless such Emergency Repair constitutes a Capital Repair or Capital Improvement eligible for funding from the Capital Reserve Fund, the Team will reimburse the Authority for all costs incurred by the Authority within thirty (30) days after submission of an invoice.

10.7. Title to Alterations, Capital Repairs and Capital Improvements.

All Alterations, Capital Repairs and Capital Improvements made to the Leased Premises shall become a part of the Leased Premises, shall be the property of the Authority, and shall remain upon and be surrendered with the Leased Premises at the end of the Lease Term.

10.8. Authority Access.

Nothing contained in this Section, or elsewhere in this Lease, is intended to limit the right of Authority, Commonwealth, County or City when exercising a nonproprietary function (e.g., building and fire safety inspections, as applicable) to access the Premises through properly credentialed personnel. Authority, as owner of the Premises, may enter the Premises at any time provided that Authority shall not unreasonably interfere with the operations of Team or the Ballpark. Notwithstanding the preceding sentence, Authority may enter the Premises to perform necessary maintenance or repair to the Premises and the facilities thereon, or to perform Capital Repairs or Capital Improvements, when such activities have not been performed or agreed to be performed by Team. Except with respect to Emergency Repairs, when only such notice as is reasonable under the circumstances shall be required, Authority shall have the right to enter the Premises to perform maintenance or repair, or to perform Capital Repairs or Capital Improvements, to the Premises only(i) upon the agreement of the Team, or (ii) if the Team fails to perform its maintenance and repair obligations under this Lease, and further fails rectify such default within thirty (30) days after written notice of the Team's default is delivered by the Authority to the Team (unless the Team has commenced rectifying the problem within the 30-day period and is acting in good faith to diligently cure such default). Authority shall not be

liable in connection with any such entry other than for its gross negligence or willful misconduct. Except to the extent that the cost of work is payable from the Capital Reserve Fund, the Authority shall be reimbursed by Team for all reasonable costs incurred by Authority in so maintaining or repairing the Premises plus interest at the Default Rate computed from the date on which Authority paid the cost. The cost of any required reimbursement to Authority pursuant to this Section (including interest) may be paid from funds available for the operation and maintenance of the Ballpark. The Authority may, at its election, offset such reimbursement from any obligation it has to fund the Capital Reserve Fund, or other funds payable to the Team by the Authority under this Lease or any Related Agreement, which right of offset is subject to the rights and remedies available to the parties under this Lease and the Related Agreements.

#### 10.9. Consulting Engineer.

The Team and the Authority shall, no more often than once during each Lease Year of the Initial Term, and Extension Term if elected, jointly select an independent qualified engineer experienced in baseball stadium operations (the "**Consulting Engineer**") to inspect the Premises to determine whether the Premises are in good condition and working order, in compliance with Applicable Laws, and whether there are any items of deferred maintenance required with respect to any part of the Premises. Notwithstanding the foregoing, the Authority may select a Consulting Engineer at any time during the Lease Term, at the expense of the Authority, if the Authority in its reasonable judgment, determines that further inspection of the Premises is warranted. In connection with the Consulting Engineer's review, the Consulting Engineer shall prepare a written report which shall be delivered to both Authority and Team, which shall summarize the condition of the Premises, identify any necessary repairs or improvements, identify items of deferred maintenance, identify additional investigations and inspections that may be required and contain recommendations for the ongoing repair and maintenance of the Premises. To the extent that the Consulting Engineer determines that the Premises or any component thereof is not in good condition and working order and that there are items of deferred maintenance, Team shall take all measures necessary to promptly return the Premises to good condition and working order and to perform the items of deferred maintenance, and if such work is deferred to the next Lease Year, the Team will provide sufficient funds to pay the cost of such work in the Team's next annual Ballpark Operating Budget. Team shall also promptly perform the repairs, replacements and maintenance recommended in the Consulting Engineer's report and cause the recommended additional inspections and investigations to be performed. If the required repairs qualify as Capital Repairs, such Capital Repairs may be funded from the Capital Reserve Fund pursuant to the procedures set forth in this Article 10. Team shall pay the Consulting Engineer's fees provided that Team shall only be required to pay the cost of one Premises inspection by the Consulting Engineer per year during the Lease Term (unless the Consulting Engineer's report recommends additional inspections and/or investigations), and, except as provided in the preceding clause, Authority shall pay the costs of any additional inspections and investigations. Any disputes between the parties with respect to the findings of the Consulting Engineer which involve items with an aggregate cost less than \$500,000 shall be subject to arbitration in accordance with the procedures set forth in Section 10.15 below. Team shall coordinate and administer a preventative maintenance program which shall incorporate the recommendations of the Consulting Engineer. Notwithstanding anything contained herein to the

contrary, the failure of the Consulting Engineer to identify any necessary repairs or improvements shall not relieve the Team of any of its obligations hereunder.

#### 10.10. Alterations.

10.10.1. Alterations by Team. Team shall, at its sole cost, make all Alterations to the Premises: (a) necessary to comply with Applicable Laws; (b) requisite for the safe operation of the Premises; or (c) otherwise required under the terms of this Lease. Subject to this Section 10.10, the Team may make such other Alterations to the Premises as the Team determines to be appropriate. All Alterations which will involve costs in excess of \$500,000, as adjusted annually on each January 1 by CPI Increases or which will affect the Ballpark exterior, or its structural components, shall require the prior written approval of Authority, which shall not be unreasonably withheld, conditioned or delayed, but may be subject to reasonable conditions, including the provision of appropriate surety or payment and/or performance bonds. In all events, Team may not make or permit Alterations to the Premises if such Alterations would affect adversely the structural integrity, utility or value of the Premises or the Site, which would result in a reduction of the seating capacity of the Ballpark, which would result in waste, or which would materially increase the cost of retrofitting the Premises to meet MLB standards. Upon installation, all Alterations shall become a part of the Premises and the property of Authority.

10.10.2. Plans. Team shall deliver to Authority, within sixty (60) days after completion of any Alteration, "as-built" drawings thereof, or, if no as-built drawings were prepared, the final marked working drawing thereof. Team, for a period of five (5) years after completion of any Alteration requiring Authority approval shall keep records of such Alteration, including plans and specifications, copies of contracts, invoices, evidence of payment and all other records customarily maintained by owners and managers of commercial real estate relating to similar improvements and the cost thereof and shall, within ten (10) days after request by Authority, furnish to Authority copies of such records.

10.10.3. Review of Plans. Any review or approval by Authority of plans and specifications, or other documentation, with respect to any Alteration is solely for Authority's benefit, and without any representation or warranty to Team with respect to adequacy, correctness or efficiency thereof or its compliance with Applicable Laws or otherwise.

#### 10.11. Liens.

Team shall keep the Leased Premises free from, and shall indemnify, defend and hold harmless Authority with respect to, all Liens incurred or permitted by Team or its agents, contractors, subcontractors or suppliers or incurred or permitted by any licensee or lessee of the Ballpark. If within 30 days following the filing or other assertion of any such Lien, Team does not cause such Lien to be released in a manner satisfactory to Authority (such as by posting a bond or other acceptable security), Authority may, at its option, discharge such Lien by any means Authority deems proper including, without limitation, payment of the Lien. All reasonable sums paid and expenses incurred by Authority in connection with releasing a Lien (except one arising from Capital Repairs or Alterations constructed by Authority, or otherwise

arising because of a default by the Authority in its obligations under this Lease) including, without limitation, reasonable attorneys' fees and costs, may be payable from funds otherwise available for the operation and maintenance of the Ballpark, and shall be paid by Team to Authority upon demand plus interest at the Default Rate computed from the date any such sum was paid by Authority. If Authority gives its consent to the making of any Alteration, such consent shall not be deemed to constitute Authority's consent to subject its interest in the Premises, the Ballpark or to the Site to any Lien which may be filed in connection therewith.

10.12. Performance.

Any Alteration, Capital Repairs or Capital Improvement made by or for Team, or Authority, shall be completed (a) in a good, workmanlike, first-class and prompt manner, using materials and equipment at least substantially equal in quality and class to the then-standards for the Ballpark established by Team and Authority, (b) by an experienced, reputable contractor selected by the Team after consultation with the Authority (in the case of work to be performed by the Team), or through a competitive bidding process (to the extent required by Applicable Laws) if work is to be performed by the Authority, and (c) in compliance with Applicable Laws and any insurance requirements. The Team shall not proceed with any Alteration, Capital Repair or Capital Improvement until Team shall have submitted to Authority a description in reasonable detail of the work to be performed. Prior to the commencement of any work, Team or Authority, as the case may be, shall obtain and furnish copies to the other, of all necessary governmental permits and certificates for the commencement and performance of any such Alteration, Capital Repairs or Capital Improvement, together with evidence of worker's compensation insurance of its contractors in statutory limits, "All Risk" Builder's Risk coverage and general liability insurance, with a completed operation endorsement for any occurrence in or about the Ballpark/Project, under which Authority shall be named as an additional insured and loss payee, in such limits as Authority may reasonably require, with insurers reasonably satisfactory to the other party. Each party shall furnish the other with evidence that all required insurance is in effect at or before the commencement of any Alteration, Capital Repair or Capital Improvement and, on request, at reasonable intervals thereafter during the continuation of such work. Prior to the commencement of any work, the Team shall obtain and furnish, fully executed by each contractor and subcontractor having a right to file liens, no-lien agreements to the Authority in recordable form.

10.13. Applicability to Capital Improvements.

During a period of ten (10) Lease Years following the Commencement Date, the Capital Reserve Fund shall not be available for, and the Authority shall have no responsibility to pay for, any Capital Improvements. The Team may however, at its cost, propose and perform such Capital Improvements, subject to Authority approval. However, following the expiration of this ten (10) year period, all terms and conditions of this Article 10 applicable to the making of and payment for Capital Repairs shall also apply to Capital Improvements. Notwithstanding the foregoing, Team shall have the right, at the end of each of the sixth Lease Year and the eighth Lease Year, to present to the Authority for its consideration two Capital Improvement projects (i.e. two at the end of the sixth Lease Year and two at the end of the eighth Lease Year) to be

paid for out of the Capital Reserve Fund. The Authority shall have the right to approve or disapprove the funding of the cost of any such Capital Improvement in its reasonable discretion.

10.14. No Expansion.

No expansion of the Ballpark, including without limitation, the installation of additional seating, will be permitted at any time during the Lease Term without the prior written consent of the Authority, which consent may be granted or withheld in the discretion of the Authority.

10.15. Resolution of Disputes.

The Authority and the Team agree to attempt in good faith to resolve any disagreement with respect to Capital Repairs, Capital Improvements or Alterations referred to in this Article 10 promptly by negotiations between the Authority Representative and the Team Representative. In the event the parties are unable to reach agreement with respect to a proposal by the Team pursuant to this Article 10 indicating that a Capital Repair (or after ten years following the Commencement Date, a Capital Improvement) is required pursuant to the terms of this Lease, the Authority shall deliver to the Team a written response within forty-five (45) days after receipt of the proposal. The proposal and response shall include (i) a statement of such party's position and a summary of the evidence and arguments supporting its position, and (ii) the name(s) and title(s) of the Authorized Representatives who will represent that party. The Authorized Representatives shall meet at a mutually acceptable time and place within five (5) business days of the date of the response and thereafter as often as they reasonably deem necessary to exchange relevant information and to attempt to resolve the disagreement. If (i) the disagreement has not been resolved within thirty (30) calendar days of the first meeting of the Authorized Representatives, and (ii) the disagreement involves items with an aggregate cost less than \$500,000, as adjusted by CPI, then the disagreement shall be settled by arbitration conducted before three (3) arbitrators in accordance with the then existing rules of the American Arbitration Association. In any arbitration, the parties shall be entitled to conduct discovery in accordance with the applicable rules of the Federal Rules of Civil Procedure, with such modifications thereto as may be mutually agreeable to the parties unless the arbitrators appointed to hear the case rule that discovery should be limited in light of the particular dispute. In the event the parties are unable to agree on the three arbitrators, the parties shall select the three arbitrators by striking alternatively (the first to strike being chosen by lot) from a list of thirteen arbitrators designated by the American Arbitration Association. Each of the parties to the arbitration shall bear the cost of the arbitration on such basis as the arbitrators of the matter shall determine. Notwithstanding the foregoing, nothing in this Agreement shall preclude any party from filing any action in a court of competent jurisdiction seeking any temporary restraining order or preliminary injunction.

ARTICLE 11.  
INDEMNIFICATION

11.1. Indemnification and Payment of Damages by Team.

Team will indemnify, defend and hold harmless the Authority, the City, the RAD, the Stadium Authority and the County, and each of their respective elected officials, appointed officials, board members, officers, employees, agents and attorneys (collectively, the "**Authority-Indemnified Persons**") for, and will pay to the Authority-Indemnified Persons the amount of any Damages, whether or not involving a third-party claim arising, directly or indirectly, from or in connection with:

(i) any breach of any representation or warranty made by Team in this Lease or in any schedule or exhibit attached hereto or any other certificate or document delivered by the Team to the Authority pursuant to this Lease;

(ii) any breach by the Team of any covenant or obligation of Team in this Lease;

(iii) any claim by any Person for Damages in connection with the violation by the Team, any Affiliate, the Design and Construction Manager, or any Team Agent, of any Applicable Law; or

(iv) otherwise arising in any manner out of, or related to the occupancy of the Premises pursuant to this Lease (except as set forth in subpart 11.5 hereof).

If Team fails to make any payment of any sums payable by Team to Authority-Indemnified Persons when due, which failure shall continue for thirty (30) days, then Team shall pay, together with such payment, a late charge of five percent (5%) of the amount of such payment and such payment shall bear interest at the Default Rate.

11.2. Defense Of Indemnified Claims.

11.2.1. Notice of Claims. Promptly after receipt by an Authority-Indemnified Person of the notice of the commencement of a claim against it for which the Authority-Indemnified Person would be entitled to receive indemnification under Section 11.1 (a "**Proceeding**"), the Authority-Indemnified Person will give notice to the Team of the commencement of such claim, but the failure to notify the Team will not relieve the Team of any liability that it may have to the Authority-Indemnified Person. Team shall promptly give written notice to Authority of any claim, including a claim for damages, against an Authority-Indemnified Person.

11.2.2. Assumption of Defense by Team. If any Proceeding referred to in Section 11.1 is brought against an Authority-Indemnified Person and it gives notice to the Team of the commencement of such Proceeding, the Team will, unless the claim involves taxes or a matter described in subpart 11.5 hereof, be required to assume the defense of such Proceeding

with counsel reasonably satisfactory to the Authority-Indemnified Person (unless the Team is also a party to such Proceeding and the Authority-Indemnified Person determines in good faith that joint representation would be inappropriate), and, after written notice from the Team to the Authority and the Authority-Indemnified Person that it has undertaken to assume the defense of such Proceeding (the "**Assumption Notice**"), the Team will not, as long as it diligently conducts such defense, be liable to the Authority under this Article 11 for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the Authority-Indemnified Person in connection with the defense of such Proceeding, other than reasonable costs of investigation. After the Team delivers its Assumption Notice: (i) it will be conclusively established for purposes of this Lease that the claims made in that Proceeding are within the scope of and subject to indemnification; (ii) no compromise or settlement of such claims may be effected by the Team without the Authority-Indemnified Person's consent unless (A) there is no finding or admission of any violation of Legal Requirements or any violation of the rights of any person and no effect on any other claims that may be made against an Authority-Indemnified Person, and (B) the sole relief provided is monetary damages that are paid in full by the Team; and (iii) the Authority-Indemnified Persons will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to the Team of the commencement of any Proceeding and the Team does not, within ten days after the indemnified party's notice is given, deliver the Assumption Notice, the Team will be bound by any determination made in such Proceeding or any compromise or settlement effected by the Authority-Indemnified Person, including the payment of money damages.

11.2.3. Authority-Indemnified Person's Defense of Claims. Notwithstanding the foregoing, if the Authority-Indemnified Person determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its Affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Lease, the Authority-Indemnified Person may, by notice to the Team, assume the exclusive right to defend, compromise, or settle such Proceeding, but the Team will not be bound by any determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld).

11.2.4. Jurisdiction. Team hereby consents to the nonexclusive jurisdiction of any court in which a Proceeding is brought against an Authority-Indemnified Person for purposes of any claim that the Authority may have under this Lease with respect to such Proceeding or the matters alleged therein, and agree that process may be served on the Team with respect to such a claim anywhere in the world.

### 11.3. Injunctive Relief.

Team acknowledges that the rights conveyed by this Lease to the Authority are of a unique and special nature, and that any violation of this Lease will result in immediate and irreparable harm to the Authority and any third-party beneficiaries of this Lease (including without limitation any Authority-Indemnified Person), and that in the event of any actual or threatened breach or violation of any of the provisions of this Lease, the Authority, and any third-

party beneficiaries of this Lease, shall be entitled as a matter of right to an injunction or a decree of specific performance without bond from any equity court of competent jurisdiction. The Team waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law.

11.4. [Intentionally Omitted]

11.5. Indemnification and Payment of Damages by Authority.

To the extent permitted by Law and without causing Authority to waive its rights of sovereign immunity (it being understood that Authority does not hereby waive its rights of sovereign immunity, to the extent available to Authority), Authority will indemnify, defend and hold harmless the Team and its officers, board members, directors, employees, attorneys and agents (collectively, the "**Team-Indemnified Persons**") for, and will pay to the Team-Indemnified Persons the amount of Damages arising, directly or indirectly, from or in connection with:

- (i) any breach of any representation or warranty made by Authority in this Lease or in any schedule or exhibit attached hereto or any other certificate or document delivered by Authority to the Team pursuant to this Lease;
- (ii) any breach by Authority of any covenant or obligation of Authority in this Lease; or
- (iii) the gross negligence or willful misconduct of the Authority.

If Authority fails to make any payment of any sums payable by Authority to Team-Indemnified Persons on the date due, which failure shall continue for thirty (30) days, then Authority shall pay, together with such payment, a late charge of five percent (5%) of the amount of such payment, and such payment shall bear interest at the Default Rate.

ARTICLE 12.

INSURANCE - CONDEMNATION - RESTORATION

12.1. Insurance.

12.1.1. Maintenance of Insurance. Throughout the Lease Term, Team shall maintain, at the sole cost and expense of the Team, the following insurance: (i) insurance against loss due to fire and other casualties included in broad form property insurance policies, with an agreed amount endorsement and replacement cost coverage, exclusive of excavations, footings and foundations; the Authority shall be named as "loss payee" on all fire and casualty insurance policies maintained with respect to the Premises; (ii) "All Risk" property insurance covering all present and future Team's personal property (including coverage for earthquake, if available, and flood, to the extent available under the National Flood Insurance Program) to a limit of not less than the full replacement cost thereof including any costs which may be required to comply with

applicable governmental requirements; (iii) commercial general liability insurance and liquor liability insurance including a contractual liability endorsement and personal injury liability endorsement in respect of the Premises and conduct and operation of business therein; (iv) business interruption insurance (excluding insurance for work stoppages), and (v) such additional insurance as may be required pursuant to the terms of the Grant Agreement. The Team shall be responsible for any deductible sums due and payable under any insurance required to be maintained under this Section 12.1.1. The Team shall name the Authority, the Commonwealth, the City and the County as an "additional insured" on all commercial general liability policies when appropriate, and the proceeds of any insurance relating to a casualty to the Premises shall be payable to the Team, and/or the Authority, as provided in this Lease. Such insurance shall provide coverage against all claims against the Team, the Authority, the Commonwealth, the City and the County for bodily injury (including death) and property damage resulting directly or indirectly from the control and operation of the Premises by the Team, and any act, omission or activities (in connection with the Premises) of the Team, the Authority, the Commonwealth, the City or the County or any other person acting for the Team, the Authority, the Commonwealth, the City or the County or under their respective control or direction in each case, with a company or companies licensed to do business in the Commonwealth and with a rating by Best's Insurance Reports or any successor publication of comparable standing of A - VII or better. Such commercial general liability insurance shall initially be in minimum amounts of twenty million dollars (\$20,000,000) combined single limit for injury to persons, and twenty million dollars (\$20,000,000) combined single limit for damage to property, and shall be for a minimum term of one (1) year. Certificates of insurance and receipts evidencing payment of the premiums for such insurance shall be delivered by Team to Authority on or before the date of execution of this Lease and annually thereafter. Team shall cause each such policy to contain an endorsement prohibiting cancellation or reduction of coverage without first giving Authority at least thirty (30) days' prior written notice of such proposed action. The amounts of coverage required under this section will be reviewed by the parties periodically, not less often than every four (4) years, and will be increased following such review to amounts determined by the Authority to be then commercially reasonable.

12.1.2. Waiver and Release. Team hereby waives and releases Authority from any and all liabilities, claims and losses on account of damage to Team's personal property or trade fixtures. Each party hereto shall secure waiver of subrogation endorsements from their respective insurance carriers or if such waiver shall be unobtainable or unenforceable, (a) an express agreement that such policy shall not be invalidated if the assured waives the right of recovery against any party responsible for a casualty covered by the policy before the casualty, or (b) any other form of permission for the release of the other party. Nothing herein shall be deemed to relieve either party of any duty imposed elsewhere in this Lease to repair, restore or rebuild the Premises following a casualty.

12.1.3. No Violation. Team shall not violate, or permit the violation of, any condition imposed by any insurance policy then issued in respect of the Premises and shall not do, or permit anything to be done, or keep or permit anything to be kept in the Premises, which would increase any insurance rate in respect of the Premises over the rate which would otherwise then be in effect or which would result in insurance companies of good standing refusing to

insure the Premises in amounts reasonably satisfactory to Authority, or which would result in the cancellation of, or the assertion of any defense by the insurer in whole or in part to claims under, any policy of insurance in respect of the Premises.

12.1.4. Authority Rights. If Team shall fail at any time to comply with the terms of this Section, after the passage of any grace period, Authority may cure such non-compliance and may purchase such insurance as it may elect. Costs incurred by Authority, together with interest at the Default Rate computed from the date such premium is paid by Authority, shall be reimbursed by Team on demand. Any actions by Authority under this Section shall not constitute a waiver of any non-compliance with the terms of this Lease.

12.1.5. Duty of Team to Restore Premises. Notwithstanding anything set forth elsewhere in this Article, the Team will, at its cost, promptly repair any damage to the Leased Premises sustained as the result of any fire or other casualty, to a condition comparable to that previously existing, which restoration shall be completed in compliance with Applicable Laws, and further in compliance with the standards set forth in Section 12.4. The obligations of the Team under this subpart will be limited to the proceeds of available insurance, provided that the Team maintains the insurance required by this Article 12.

## 12.2. Rights of Authority to Insurance Proceeds.

All insurance proceeds payable as the result of any casualty to the Premises where the proceeds payable are in excess of the sum of \$3,000,000, as such sum may be increased during the Lease Term based upon CPI Increases, shall be payable, under the provisions of the insurance policy, into the Restoration Fund (as defined below) and disbursed pursuant to Section 12.4. All proceeds of insurance payable with respect to any casualty where the proceeds payable are less than \$3,000,000, as such sum may be increased during the Initial Term, and Extension Term if elected, based upon CPI Increases, shall be disbursed directly to the Team, which shall promptly restore the Premises to a condition comparable to that previously existing, subject to such plans and specifications, and pursuant to such contracts, as are approved the Authority in the manner applicable to Alterations under Article 10 above.

## 12.3. Condemnation.

If, at any time during the Lease Term, a taking of all or any portion of the Leased Premises occurs, and the proceeds of condemnation are less than \$3,000,000, as such sum may be adjusted during the Lease Term based upon CPI Increases, the proceeds of condemnation will be payable to the Team, which, subject to the adequacy and availability of such proceeds, will promptly restore the remainder of the Premises to a condition comparable to that previously existing, subject to such plans and specifications, and pursuant to such contracts, as are approved by the Authority in the manner applicable to Alterations under Article 10 above. If the proceeds of taking exceed the sum of \$3,000,000, such proceeds will be payable to the Authority and deposited initially into the Restoration Fund established under Section 12.4 below. Any proceeds of condemnation paid to either the Team or the Authority under this Section, and not required to be utilized to restore the Premises, will be paid to the Authority. The Team will have no claim for damages arising out of any taking of any portion of the Premises, except that the

Team shall have the right to make a separate claim for damages for any items of personal property of the Team that are taken, and relocation payments.

12.4. Restoration.

All proceeds of insurance payable to the Authority pursuant to this Article shall be held in a restoration fund ("**Restoration Fund**") to be established at PNC Bank as restoration fund trustee (the "**Restoration Fund Trustee**"). The interest or income, if any, received on all deposits or investments of any moneys in the Restoration Fund shall be added to the Restoration Fund. If the Authority consents to the deposit of such funds in an interest-bearing account or otherwise consents to the investment of such funds, neither the Authority nor the Restoration Fund Trustee shall be liable or accountable for any loss resulting from any such deposit or investment or for any withdrawal, redemption or sale of deposits or investments. The Authority and the Restoration Fund Trustee may impose reasonable charges for services performed in managing the Restoration Fund and may deduct such charges therefrom. Restoration shall be performed only in accordance with the following conditions:

(a) prior to the commencement of restoration, the contracts, contractors, plans and specifications for the restoration shall have been approved by Authority, and any Governmental Authority having jurisdiction, and Authority shall be provided with satisfactory surety bonds insuring satisfactory completion of the restoration and the payment of all subcontractors and materialmen;

(b) all restoration work shall be done under fixed price contracts, fully bonded, and publicly bid in compliance with Applicable Laws;

(c) at the time of any disbursement, an Event of Default or any event or conditions which with the passage of time and/or the giving of notice, or both, would constitute an Event of Default shall not have occurred, and be continuing, and no mechanics' or materialmen's liens shall have been filed and remain undischarged;

(d) disbursements from the Restoration Fund shall be made from time to time, but not more than twice each calendar month, for completed work under the aforesaid contracts (subject to retainage) and for other costs associated therewith and approved by Authority upon receipt of evidence satisfactory to Authority of the stage of completion and of performance of the work in a good and workmanlike manner in accordance with the contracts, plans and specifications as approved by Authority;

(e) the cost of the Authority's inspecting architect or engineer and the cost of reasonable attorneys' fees and disbursements incurred by the Authority in connection with such restoration will be paid from the Restoration Fund; and

(f) the Authority shall have the option to hold retainage up to five percent (5%) of the cost of all work.

If, within a reasonable period of time after the occurrence of any loss or damage to the Premises, Team shall not have submitted to Authority and received Authority's approval of plans and specifications for the repair, restoration or rebuilding of such loss or damage or shall not have obtained approval of such plans and specifications from any Governmental Authority whose approval is required or if, after such plans and specifications are approved by Authority and by any Governmental Authority, Team shall fail to commence promptly such repair, restoration or rebuilding or if thereafter Team fails to carry out diligently such repair, restoration or rebuilding or is delinquent in the payment to mechanics, materialmen or others of the costs incurred in connection with such work or if any other condition of this paragraph is not satisfied within a reasonable period of time after the occurrence of any such loss or damage, then Authority, in addition to all other rights herein set forth, and after giving Team fifteen (15) days written notice of the non-fulfillment of one or more of the foregoing conditions, may, failing Team's fulfillment of said conditions within said fifteen (15) day period, at Authority's option, perform or cause to be performed such repair, restoration or rebuilding and may take such other steps as Authority may elect to carry out such repair, restoration or rebuilding and may enter upon the Premises for any of the foregoing purposes, and Team hereby waives, for itself and all others holding under it, any claim against Authority, its directors, officers, agents and employees (other than claims based upon gross negligence or intentional misconduct) arising out of anything done by them or any of them pursuant to this paragraph and Authority may, in its discretion, apply any insurance or condemnation proceeds held by it or the Restoration Fund Trustee to reimburse itself for all amounts expended or incurred by it in connection with the performance of such work, including any excess costs for which Team is liable, and Team's obligation to pay such excess costs shall bear interest at the Default Rate until paid.

ARTICLE 13.  
ENVIRONMENTAL MATTERS

13.1. Authority's Representations.

(a) As of the date of delivery of possession of the Premises to the Team pursuant to the Agency Agreement, there are no Regulated Substances present on, in, under, at or emanating to or from the Premises in violation of Environmental Laws.

(b) No activity of Authority at the Premises is being or has been conducted in violation of any Environmental Law prior to the date of delivery of the Premises to the Team pursuant to the Agency Agreement, and, to Authority's actual knowledge, no activity of any prior owner, operator or occupant of the Premises was conducted in violation of any then-existing Environmental Laws.

(c) Authority has complied with the environmental provisions of the Agency Agreement and the Development Agreement.

13.2. Authority's Indemnity of Team.

13.2.1. The Authority shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Team-Indemnified Persons from and against any and all claims, suits, liabilities (including without limitation strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminution in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, encumbrances, liens, consequential damages, lost profits or punitive damages, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, all of whatever kind or nature, contingent or otherwise, including but not limited to reasonable attorneys and expert fees (collectively, "**Team Environmental Losses**") directly imposed upon, threatened against, incurred by, awarded or asserted against Team-Indemnified Persons, and arising out of, from or in any way relating to:

- (a) the breach of or any false, inaccurate or misleading representations and warranties contained in Section 13.1 of this Lease; or
- (b) any actual or alleged violation of Required Environmental Permits (issued to or held by or for the Authority for the development of the Premises) or Environmental Laws caused by the fault of the Authority, and affecting the Premises; or
- (c) any Response Action performed by or on behalf of Authority; or
- (d) Environmental Complaints based on or relating or pertaining to Contamination at the Premises existing prior to the date of delivery of possession of the Premises to the Team pursuant to the Agency Agreement;
- (e) failure of the Authority to comply with the environmental provisions of the Agency Agreement or the Development Agreement.
- (f) the enforcement of this Article 13 to the extent Team is the prevailing party.

13.2.2. Authority's obligation under this Section shall be in effect and enforceable regardless of whether such obligation arises before or after expiration of the Lease Term; provided, however, that the Authority shall have no obligation to indemnify, defend, protect, save and hold harmless Team-Indemnified Persons for any Team Environmental Losses to the extent proportionately caused by the negligence, willful misconduct or gross negligence of the Team-Indemnified Persons or Team Agents, or for any matter for which the Authority may seek indemnification from the Team pursuant to Section 13.4 of this Lease.

13.2.3. Team-Indemnified Persons, after the receipt (whether after termination of this Lease or otherwise) of a written notice of any demand or claim or the commencement of any suit, action or proceeding concerning Authority, the Premises or Team-Indemnified Persons, and related in any manner to the matters set forth in this Article 13, shall provide the Authority with written notice of the same. However, the failure of Team-Indemnified Persons to provide

such notice shall not relieve the Authority of any liability to any Team-Indemnified Persons hereunder except to the extent such failure actually prejudices the rights and remedies of the Authority.

13.3. Team's Covenants.

Team hereby covenants and agrees for itself, and for its subtenants, invitees, licensees, concessionaires, agents, officers, directors, independent contractors, servants and employees, and their respective successors and assigns (all of which are collectively called the "**Team Agents**"), that Team shall, and shall cause the Team Agents to:

(a) cause all Required Environmental Permits to be maintained in full force and effect and Team shall comply with the terms and conditions thereof. The Team shall submit to a Governmental Authority and/or maintain, as appropriate, all Required Environmental Reports;

(b) not permit, and take reasonable precautions against, the presence of Contamination as the result of the use and occupancy of the Premises by the Team or the Team Agents, except to the extent specifically authorized by Governmental Authorities, any Required Environmental Permit or pursuant to Environmental Laws;

(c) not permit, and take reasonable precautions against, the imposition of, any lien or other encumbrance authorized by Environmental Laws to be imposed against or attached to the Premises, to the extent such lien is caused by the Team or Team Agents;

(d) comply with applicable Environmental Laws relating to the Team's construction, completion, use, maintenance, operation or occupancy of the Premises;

(e) at its sole cost and expense, perform in compliance with and to the extent required by applicable Environmental Laws, Required Environmental Permits or by Governmental Authorities all Response Actions required to address the presence of Contamination at, in, on, under, or emanating from the Premises caused as a direct result of Team's or the Team Agents' use and occupancy of the Premises;

(f) take all reasonable precautions against, and not permit the Premises to be used to generate, manufacture, refine, treat, handle, label, distribute, collect, store, dispose of, produce, process, recycle, transport or otherwise use or manage material quantities of Regulated Substances, except in compliance with Environmental Laws or Required Environmental Permits, and which are used in the ordinary course of the business of Team;

(g) immediately, upon obtaining actual knowledge of any of the following, notify Authority in writing, including a detailed description, of: (i) the presence of Contamination; (ii) the receipt by Team or any of the Team Agents of an actual or threatened Environmental Complaint; (iii) the imposition or attachment against

the Premises of a lien or other encumbrance authorized under Environmental Laws; (iv) the inability to obtain or renew any Required Environmental Permit or a notice from a Governmental Authority that it has, will or intends to revoke or suspend, in whole or in part, a Required Environmental Permit; (v) any violation of Environmental Laws or Required Environmental Permits.

13.4. Team's Indemnity of Authority.

13.4.1. Team shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Authority-Indemnified Persons, from and against any and all claims, suits, liabilities (including without limitation strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminution in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, encumbrances, liens, consequential damages, lost profits or punitive damages, costs and expenses of investigation and defense of any claim, whether or not such claim is ultimately defeated, all of whatever kind or nature, contingent or otherwise, including but not limited to reasonable attorneys and expert fees (collectively, "**Authority Environmental Losses**") directly imposed upon, threatened against, incurred by, awarded or asserted against Authority-Indemnified Persons, and arising out of, from or in any way relating to:

- (a) the failure of Team or any of the Team Agents to comply with any terms, conditions or provisions of Section 13.3 of this Lease; or
- (b) any actual or alleged violation of Environmental Laws or Required Environmental Permits by the Team or any of the Team Agents affecting the Premises; or
- (c) the presence, caused by violation by the Team or any of the Team Agents of applicable Environmental Laws or Required Environmental Permits, of any Regulated Substance on, in, at or under the Premises (or any portion thereof) or the migration of any Regulated Substances to any surrounding areas or other property; or
- (d) Environmental Complaints based on or relating or pertaining to Contamination on, in, at or under the Premises (or any portion thereof) which is caused by Team, or any of the Team Agents; or
- (e) any damages to the Premises or any surrounding areas or other property caused by or resulting from a Response Action performed by or on behalf of the Team or the Team's Agents; or
- (f) the enforcement of this Article 13 to the extent Authority is the prevailing party.

13.4.2. Team's obligation under this Section shall be in effect and enforceable regardless of whether such obligation arises before or after expiration of the Lease Term or the Authority-Indemnified Persons taking title to or possession of all or any portion of the Premises; provided, however, that Team shall have no obligation to indemnify, defend, protect, save and

hold harmless Authority-Indemnified Persons for any Authority Environmental Losses to the extent proportionately caused by the negligence, willful misconduct or gross negligence of the Authority-Indemnified Persons, or for any matter for which the Team may seek indemnification from the Authority pursuant to Section 13.2 of this Lease.

13.4.3. Any Authority-Indemnified Person, after the receipt (whether after termination of this Lease or otherwise) of a written notice of any demand or claim or the commencement of any suit, action or proceeding concerning Team, the Premises or Authority-Indemnified Persons, and related in any manner to the matters set forth in this Article 13, shall provide the Team with written notice of the same. However, the failure of any Authority-Indemnified Person to provide such notice shall not relieve the Team of any liability to such Authority-Indemnified Person hereunder, except to the extent such failure actually prejudices the rights and remedies of the Team.

ARTICLE 14.  
DEFAULT AND REMEDIES

14.1. Events of Default.

Each of the following shall constitute an "**Event of Default**" under this Lease:

14.1.1. The Team's failure to pay when due any payment due under this Lease, including without limitation, any portion of Rent, or Statutory Rent, which failure to pay is not cured within thirty (30) days following the Team's receipt of written notice that the payment was not made when due, unless any payment of Statutory Rent is being contested in good faith, in which event such nonpayment shall not be an Event of Default until such contest has been resolved and any sums due are not paid within thirty (30) days of final resolution;

14.1.2. The Team shall vacate or abandon the Leased Premises, at any time during the Lease Term;

14.1.3. The Team shall at any time fail to occupy the Premises, and play all of its Home Season Games in the Ballpark during the Lease Term, as required by Section 8.1 hereof, or the Team shall otherwise violate Article 8 of this Lease;

14.1.4. (i) The Team shall institute voluntary proceedings in Bankruptcy; (ii) involuntary proceedings in Bankruptcy shall be instituted against the Team which are not discharged within ninety (90) days thereafter; (iii) any proceedings shall be instituted by or against the Team under any law relating to insolvency or reorganization, and in the case of an involuntary proceeding, which is not discharged within ninety (90) days after filing; (iv) a trustee or receiver shall be appointed for the Team by any court of competent jurisdiction; (v) the Team shall make a general assignment for the benefit of its creditors; (vi) a final, non-appealable judgment is entered against Team for an amount in excess of \$2,000,000, which final judgment is not either covered by insurance, or bonded or satisfied within thirty (30) days of having

become final; or (vii) Team shall dissolve or liquidate, or shall otherwise cease to exist as a Pennsylvania limited partnership;

14.1.5. Team's violation or failure to perform or observe any other covenant or condition of this Lease, which failure or violation shall continue for thirty (30) days after the receipt of written notice by Team identifying with particularity the failure or violation, provided that if such failure or violation is susceptible to cure but is not capable of being cured within such thirty (30) day period, there shall exist no Event of Default provided that Team promptly advises Authority of Team's intention duly to institute all steps necessary to cure such default and Team promptly commences cure of such failure or violation, and diligently pursues such cure to completion;

14.1.6. Team's violation or failure to perform or observe any material covenant or condition in any of the Related Agreements, which failure or violation shall continue beyond the grace period, if any, set forth therein or the occurrence of any "default" or "event of default" in any of the Related Agreements (it being understood that any such default or event of default shall be an additional Event of Default hereunder and shall not be construed to be in substitution of any other Events of Default);

14.1.7. Any representation or warranty made by Team herein, or in any Related Agreement shall prove to have been incorrect, when made in any material respect;

14.1.8. The Franchise is terminated, restricted or otherwise limited or the Team receives notice of the intent of MLB to do the same.

14.2. No Notice Required for Certain Defaults.

Upon the occurrence of any Event of Default under subsections 14.1.2, 14.1.3, 14.1.4 and 14.1.8 above, Authority shall not be required to deliver notice of default to the Team, and the Authority shall, upon the occurrence of such Event of Default, have the right to take such action under this Lease and any Related Agreement, including without limitation, at its sole option, the right to terminate this Lease immediately, as hereinafter provided, or to take or institute such actions, as are available to Authority at law or in equity, as the Authority in its sole discretion may determine desirable or necessary to protect the interest of the Commonwealth, City, County, Authority, RAD, Stadium Authority and general public in the subject matter of this Lease.

14.3. Remedies.

14.3.1. Following the occurrence of an Event of Default, and after the expiration of any applicable grace or cure period, the Authority shall have the right, at its election and without further notice, (i) to terminate this Lease upon giving written notice thereby to Team, and in such event, this Lease and the term and estate hereby granted shall terminate upon delivery of notice, or (ii) to terminate the right of the Team to occupy the Premises, leaving this Lease in effect, but in either case Team shall remain liable for Rent for the balance of the Lease Term, and damages as provided herein or pursuant to law, or pursuant to any Related Agreement, or (iii) to assert such other right or exercise such other remedy as may be available to the

Authority under Pennsylvania law. In addition, with or without terminating this Lease, Authority, or Authority's agents, may, solely through legal process, by summary proceedings or by any suitable judicial action or proceeding at law under and by virtue of the laws of the Commonwealth of Pennsylvania, reenter into or upon the Premises or any part thereof, terminate Team's right of possession and take possession of the Premises. If Authority elects to terminate this Lease and/or Authority elects to terminate Team's right of possession, such election shall be made without prejudice to Authority's right to recover from Team all Rent and other sums for which Team is obligated under this Lease. Whether or not this Lease is terminated and/or Authority elects to terminate Team's right of possession, Team nevertheless shall remain liable for any Rent or damages which may be due or sustained by the Authority prior or subsequent to such default, including Statutory Rent, together with all costs, fees and expenses (including without limitation reasonable attorneys' fees, brokerage fees and expenses incurred in placing the Premises in rentable condition) incurred by Authority in pursuit of its remedies.

14.3.2. In addition, following the occurrence of an Event of Default, Team shall be liable, at Authority's election, to pay to the Authority the following:

(a) Rent, which would have become due during the remainder of the Lease Term, computed and payable following Team's default upon the due dates specified in this Lease, and shall continue until the date of expiration of the Lease Term; Rent will be payable based upon Rent payable during the preceding three (3) Lease Years, provided that Rent payable as the result of an Event of Default during the first three (3) Lease Years will be based upon that Rent payable during the then current Lease Year; or

(b) an amount equal to the present value (as of the date of the occurrence of the Event of Default) of the Rent which would have become due during the remainder of the Lease Term (for purposes of this clause (b) the amount of Rent for each Lease Year ending after such Event of Default shall be equal to the Rent for the Lease Year immediately preceding the Lease Year in which such shall occur adjusted annually based upon CPI increases). For purposes of this Section, "present value" shall be computed by discounting at a rate equal to two percent (2%) above the then "prime rate" of PNC Bank; and

(c) the entire remaining unpaid balance of Statutory Rent, due and payable until the end of the Lease Term.

14.3.3. The rights and remedies of the Authority in the event of a relocation, or attempted relocation, of the Franchise, are set forth in the Related Agreements, and nothing contained in this Article 14 will be construed to increase the liability of the Team to pay to the Authority, the Commonwealth or the URA, above the aggregate amount required to be paid by the Team to such parties under any Related Agreement.

14.3.4. If at any time during the Lease Term the Team abandons the Premises, the Authority may, without institution of legal process, retake control of the Premises, including possession of any personal property left at the Premises, and the Authority may dispose of that

personal property in such manner as it considers appropriate without any liability to the Team. No action taken by the Authority under this subpart will be construed to constitute a termination of this Lease, or acceptance of termination by the Team, and the Authority will continue to possess all rights and remedies of lessor under this Lease.

14.4. Equitable Remedies.

In addition to the remedies set forth in Section 14.3 above, the Authority shall, following the occurrence of an Event of Default, have the right to specific performance, injunction or other equitable relief, and shall further have the right to the appointment of a receiver for the Team and the Premises, which action may be instituted in the Court of Common Pleas of Allegheny County, Pennsylvania, and the Team agrees that that Court shall, unless otherwise specifically elected in writing by the Authority, have exclusive jurisdiction of matters instituted by the Authority under this Section 14.4.

14.5. Default Rate.

If Team fails to make any payment of the Rent or any other sums payable by Team to Authority on the date due, which failure shall continue for thirty (30) days, then such payment shall bear interest at the Default Rate.

14.6. Remedies Cumulative.

All of the Authority's rights and remedies set forth in this Lease are cumulative and in addition to the Authority's rights and remedies at law or in equity or in the Related Agreements. Each exercise by the Authority of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy. The Authority's delay or failure to exercise or enforce any rights or remedies shall not constitute a waiver of any such rights, remedies or obligations. The Authority shall not be deemed to have waived any default unless such waiver is expressly set forth in an instrument signed by the Authority. If the Authority waives in writing any default, then such waiver shall not be construed as a waiver of any covenant or condition set forth in this Lease except as to the specific circumstances described in such written waiver. Neither payment of a lesser amount than the sum due hereunder nor endorsement or statement on any check or letter accompanying such payment shall be deemed an accord and satisfaction, and the Authority may accept the same without prejudice to the right to recover the balance of such sum or to pursue any other remedy. No act or thing done by Authority or its agents shall be deemed an acceptance of surrender of the Premises, and no agreement to accept such surrender shall be valid, unless in writing and signed by Authority.

14.7. Waivers by Team.

If proceedings shall be commenced to recover possession of the Leased Premises either at the end of the Lease Term or sooner termination of this Lease, for non-payment of Rent, Statutory Rent, or for any other reason, Team specifically waives the right to the three (3) months' notice to quit and/or the fifteen (15) or thirty (30) days' notice to quit required by the Act of April 6, 1951, P.L. 69, as amended, and agrees that the notices required by this Lease shall be

sufficient. Team waives and surrenders all right and privilege that Team might have under or by reason of any present or future law to redeem the Premises or to have a continuance of this Lease after Team is dispossessed or ejected therefrom by process of law or under the terms of this Lease or after any termination of this Lease.

14.8. Default by the Authority; Limited Right of Termination.

14.8.1. Notice of Default and Remedies. If the Authority fails to fund the Capital Reserve Fund in the amounts required by this Lease, or by any Related Agreement, or otherwise fails to perform its obligations under this Lease, and fails to cure any such default within sixty (60) days after written notice of default is delivered by the Team to the Authority (plus such additional period as may be reasonably necessary to cure, provided that the Authority is proceeding diligently and in good faith to do so), then the Authority shall be in default. Provided that the right of the Team to enforce a judgment against the Authority will be subject to (A) the limited recourse provisions set forth in subpart 14.8.2 below, and (B) such laws and procedures as may otherwise relate to the enforcement of a money judgment against an instrumentality of the Commonwealth.

14.8.2. Limited Recourse Obligations of Authority. Notwithstanding and prevailing over any contrary provision or implication of this Lease, or any of the Related Agreements, the rights and remedies of the Team against the Authority shall be limited to those rights and remedies that are set forth in this Lease or that are available under the laws of the Commonwealth, and no personal recourse may be had against any director, officer, employee or agent of the Authority. No property or assets of any officer, director, agent or employee of Authority shall become subject to levy, execution, attachment or other enforcement procedures for the satisfaction of Team's remedies.

14.8.3. Limited Right to Terminate Lease. Notwithstanding anything set forth above, or elsewhere in this Lease to the contrary, and notwithstanding any default by the Authority in any of its obligations hereunder, and notwithstanding any arbitration award, the Team shall not have the right to (i) terminate this Lease, (ii) vacate the Leased Premises, (iii) cease payment of Rent or any other sum payable by the Team under this Lease when due, or (iv) otherwise cease to perform any of the Team's obligations under this Lease as and when required by the terms hereof, prior to the Expiration Date, unless the Team has obtained a final, nonappealable order from a court of competent jurisdiction, which expressly grants the Team a judgment for money that remains unsatisfied or expressly finds that the Authority has otherwise breached its obligations under this Lease and directs the Authority to cure such default and the Authority fails to pay such money judgment or cure such default within two (2) years following the date that such order becomes final and non-appealable. Provided further, if the Team terminates this Lease at any time during the Term, neither the Team, nor any of its concessionaires, subtenants or other persons or entities in occupancy of the Ballpark under authorization of the Team, shall have any right to remain in occupancy of any portion of the Ballpark following termination of this Lease. The Team further acknowledges that its agreements set forth in this Section 14.8 are material inducements to the commitments of funds

and other resources made by the Authority, City, County and Commonwealth in furtherance of the Project.

14.8.4. No Waiver of Sovereign Immunity. Except to the extent specifically waived by the Authority in this Lease or in any Related Agreement and except to the extent such rights have been waived pursuant to Applicable Laws or otherwise, nothing contained in this Section 14.8, or elsewhere in this Lease, shall be in any manner whatsoever construed as a waiver of rights of sovereign immunity possessed by the Authority as an instrumentality of the Commonwealth.

14.9. Arbitration and Mediation.

14.9.1. Arbitration. If a default by either party hereunder results in a claim exclusively for monetary relief which does not exceed the sum or value of \$500,000, as adjusted by CPI, exclusive of interest and costs, the non-defaulting party shall submit the claim to arbitration administered before three (3) arbitrators. In any arbitration, the parties shall be entitled to conduct discovery in accordance with the applicable rules of the Federal Rules of Civil Procedure, with such modifications thereto as may be mutually agreeable to the parties unless the arbitrators appointed to hear the case rule that discovery should be limited in light of the particular dispute. In the event the parties are unable to agree on the three arbitrators, the parties shall select the three arbitrators by striking alternatively (the first to strike being chosen by lot) from a list of thirteen arbitrators designated by the American Arbitration Association. Each of the parties to the arbitration shall bear the cost of the arbitration on such basis as the arbitrators of the matter shall determine. Notwithstanding the foregoing, nothing in this Agreement shall preclude any party from filing any action in a court of competent jurisdiction seeking any temporary restraining order or preliminary injunction. Subject to Section 14.9.2, unless either party is restrained or enjoined by a court competent jurisdiction, the decision of the arbitrators shall be conclusive and non-appealable except in case of fraud.

14.9.2. Mediation. If a default by either party hereunder results in a claim for which the requested relief is not limited to monetary relief, or for which the monetary relief requested exceeds the sum or value of \$500,000, as adjusted by CPI, exclusive of interest and costs, the non-defaulting party shall attempt to settle the claim by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. In the event the claim is not settled through mediation, the non-defaulting party shall have the right to commence an action in the Court of Common Pleas of Allegheny County, Pennsylvania.

ARTICLE 15.  
REPRESENTATIONS AND WARRANTIES

15.1. Representations and Warranties of the Authority.

The Authority hereby represents and warrants to the Team, the following as of the date of execution of this Lease:

15.1.1. Authorization, Validity and Enforceability. The Authority has all requisite power and authority to enter into this Lease and to carry out the actions contemplated hereby. The execution, delivery, and performance by the Authority of this Lease have been duly authorized and approved by all necessary governmental action (other than the various government approvals, licenses and permits which are required for the development, construction, use and operation of the Ballpark), all of which have been obtained and remain in effect. The Authority Representative is the individual duly authorized to execute this Lease on behalf of the Authority and has so executed this Lease. This Lease and the Related Agreements, when executed, will constitute the valid and legally binding obligations of the Authority, enforceable against it in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

15.1.2. No Conflicts. The execution, delivery and performance of this Lease or the Related Agreements will not result in a violation, in any material respect, of any provision of any other agreements, instruments, contracts, judgments or decrees to which the Authority is a party, or by which the Authority or its assets may be bound or affected, including without limitation the Authority's charter documents and any written rule, regulation or policy of the Authority.

15.1.3. No Violation of Laws. Except as otherwise previously disclosed in writing to the Team, the Authority has complied in all material respects with all applicable laws, statutes, rules, regulations or orders with respect to the Site or the transactions contemplated in and by this Lease and the Related Agreements; and the Authority is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority which is in any respect material to the transactions contemplated in and by this Lease. Neither the execution, delivery nor, performance of this Lease by the Authority violates the Authority charter, the enabling legislation governing the Authority, or any ordinance or resolution of the Authority, or any other agreement or instrument to which the Authority is subject or by which the Authority is bound.

15.1.4. Litigation. Except as otherwise disclosed by the Authority to the Team in writing, and as set forth on Exhibit I, there is no action, suit, proceeding or investigation at law or in equity or by or before any governmental authority now pending or, to the actual knowledge of the Authority, threatened against the Authority seeking to restrain or prohibit, or seeking damages or other relief in connection with, the execution of this Lease and the performance of the transactions contemplated herein or which might materially and adversely affect the leasing use and operation of the Ballpark as contemplated in and by this Lease or the performance by the Authority hereunder or under the Related Agreements.

15.1.5. Title to Premises. The Authority has good and marketable fee simple title to the Premises, subject only to the Permitted Encumbrances set forth on Exhibit E.

15.2. Representations and Warranties of the Team.

The Team hereby represents and warrants to the Authority the following as of the date of execution of this Lease:

15.2.1. Organization and Authority. The Team is a limited partnership duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania. The Team has all requisite partnership power and authority to enter into this Lease and each of the Related Agreements to which it is a party. The general partner of the Team (the "**General Partner**") is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

15.2.2. Authorization, Validity and Enforceability. All partnership action and all corporate action by the General Partner necessary for the authorization, execution, delivery and performance of all obligations of the Team under this Lease and the Related Agreements has been taken. All consents and approvals of any Person (including partners of the Team, if necessary) required in connection with the execution of this Lease and the Related Agreements have been obtained. This Lease and the Related Agreements, when executed, shall constitute valid and legally binding obligations of the Team enforceable in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws and subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

15.2.3. No Conflicts. The execution, delivery and performance of this Lease or the Related Agreements will not result in a violation of, in any material respect, any provision of any other agreements, instruments, contracts, judgments or decrees to which the Team is a party or by which the Team or its assets may be bound or affected, including without limitation, the Team's Agreement or Certificate of Limited Partnership, the General Partner's Articles of Incorporation or Bylaws, the Baseball Rules and Regulations, nor will the execution, delivery and performance of this Lease or the Related Agreements result in the breach of or constitute a default under any loan or credit agreement, or other agreement or instrument to which the Team is a party or by which the Team or its assets may be bound or affected.

15.2.4. No Violation of Laws. The Team has received no written notice as of the date of execution of this Lease asserting any noncompliance in any material respect by the Team with applicable statutes, rules and regulations of the United States of America, the Commonwealth of Pennsylvania, or of any other state or municipality (excluding the Authority) or agency having jurisdiction over and with respect to the transactions contemplated in and by this Lease or the Related Agreements; and the Team is not in default with respect to any judgment, order, injunction or decree of any court, administrative agency, or other governmental authority which is in any respect material to the transactions contemplated in and by this Lease.

15.2.5. Litigation. Except as otherwise disclosed to the Authority in writing, there is no action, suit, proceeding or investigation at law or in equity or by or before any governmental authority now pending or, to the actual knowledge of the Team, threatened against or which affects the Team, or which has been served upon the Team, or of which the Team has knowledge, which could have a material adverse affect upon the Team's performance under this

Lease or the financial condition or business of the Team. There are no outstanding judgments against the Team.

ARTICLE 16.  
MISCELLANEOUS

16.1. Form of Notices; Addresses.

All notices, demands or requests required under this Lease shall be in writing. All such notices, demands and requests required under this Lease shall be deemed to have been properly given if (i) served personally, or (ii) if sent by United States registered or certified mail, or (iii) if sent by overnight delivery service, to the parties as follows (or at such other address as a party may from time to time designate by notice given pursuant to this Article):

To Team:	PNC Park Pittsburgh, PA 15212 Attention: Richard J. Freeman
To Authority:	Sports & Exhibition Authority of Pittsburgh and Allegheny County Regional Resource Center 425 Sixth Avenue, Suite 1410 Pittsburgh, PA 15219 Attention: Executive Director
To Commonwealth:	Secretary of Budget Commonwealth of Pennsylvania 238 Main Capitol Harrisburg, PA 17120

16.2. Entire Lease.

This Lease, the documents which are Exhibits to this Lease and the Related Agreements contain the sole and entire agreement between the parties with respect to their subject matter and supersede any and all other prior written or oral agreements, and all contemporaneous oral agreements, between them with respect to such subject matter.

16.3. Amendment.

No amendment or modification of this Lease shall be valid unless in writing and duly executed by the party affected by the amendment or modification. The parties acknowledge that, pursuant to Baseball Rules and Regulations, the Team is required to obtain the consent of MLB in connection with any amendment or modification of this Lease.

16.4. Binding Effect.

This Lease shall be binding upon Authority and Team, and their respective successors and assigns, subject to such limitations on transfer as may be set forth in this Lease and/or in any Related Agreement.

16.5. Trial by Jury.

Authority and Team each waive trial by jury in any action in connection with this Lease.

16.6. Waiver.

Waiver by either party of any breach of any provision of this Lease shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or any other provision of this Lease.

16.7. Captions.

The captions contained in this Lease are inserted only as a matter of convenience or reference and in no way define, limit, extend or describe the scope of this Lease or the intent of any of its provisions.

16.8. Construction.

In the construction of this Lease, whether or not so expressed, words used in the singular or in the plural, respectively, include both the plural and the singular and the masculine, feminine and neuter genders include all other genders.

16.9. Article and Exhibit References.

All references contained in this Lease to Articles and Exhibits shall be deemed to be references to Articles of, and Exhibits attached to, this Lease, except to the extent that any such reference specifically refers to another document. All references to Articles shall be deemed to also refer to all subsections of such Articles, if any. The definitions of terms defined in this Lease shall apply to the Exhibits, unless the context otherwise indicates.

16.10. Severability.

If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it was held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Lease shall be valid and enforceable to the fullest extent permitted by Applicable Law.

16.11. Third Party Beneficiaries.

Nothing in this Lease, express or implied, is intended to: (a) confer upon any entity or person other than the parties and their permitted successor(s) and assigns any rights or remedies under or by reason of this Lease as a third-party beneficiary or otherwise except as specifically provided in this Lease; or (b) authorize anyone not a party to this Lease to maintain an action pursuant to or based upon this Lease. Notwithstanding the foregoing, the City, County, Commonwealth, RAD and Stadium Authority shall be and are intended third party beneficiaries of this Lease.

16.12. Rights of the Commonwealth.

The Team acknowledges that its rights and duties established in this Lease and the Related Agreements are of a unique and special nature. Any violation of either Article 8, Section 4.4 or Section 7.1 of this Lease, or of any comparable provision in any Related Agreement, will result in immediate and irreparable harm to the Commonwealth, and in the event of any actual or threatened breach or violation of any of the provisions of Article 8, Section 4.4 or Section 7.1 of this Lease, or of any comparable provision of any Related Agreement prohibiting the relocation of the Franchise from the City during the Initial Term, or any covenant or obligation of the Team under Section 4.4 or Section 7.1, or under the Capital Facilities Act, the Commonwealth will be entitled as a matter of right to (i) an injunction or a decree of specific performance without bond from any court of competent jurisdiction, including without limitation the Commonwealth Court of Pennsylvania, (ii) such monetary damages as are authorized under Section 504 of the Capital Facilities Act, and (iii) such other and further relief as is available. Nothing contained in this Section 16.12 shall be construed to affect or limit in any manner any rights or remedies of the Authority under this Lease or any Related Agreement.

16.13. Other Documents.

The parties shall take all such actions and execute all such documents which may be reasonably necessary to carry out the purposes of this Lease, whether or not specifically provided for in this Lease; provided that the parties further acknowledge that certain additional actions by Authority may require approval, and to the extent such approval is required by Applicable Law, obtaining the approval shall be a condition to Authority's obligations under this Article.

16.14. Governing Law.

This Lease and the interpretation of its terms shall be governed by the laws of the Commonwealth of Pennsylvania, without application of conflicts of law principles. Venue for any judicial, administrative or other action to enforce or construe any Lease Term or arising from or relating to this Lease shall lie exclusively in Pittsburgh, Allegheny County, Pennsylvania.

16.15. Counterparts.

This Lease 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 Lease.

16.16. Relationship of Parties.

It is agreed that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Authority and Team, or between Authority and any other party, or cause Authority to be responsible in any way for the debts or obligations of Team or any other party.

16.17. Authority Approval.

In each instance in this Lease where the approval or consent of Authority may be sought or is required, such approval or consent shall be granted or denied on behalf of Authority by its Board of Directors, except as otherwise indicated in this Lease, and in each case such consent shall not be unreasonably withheld, delayed or conditioned.

16.18. Nondiscrimination.

There shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, creed, religion, national origin, disability or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Premises. Neither Team nor any person claiming under or through it shall establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of licensees, sublicensees or vendors (if any), using or operating at Premises or any portion thereof. Authority, the City, County and the Commonwealth shall be the beneficiaries of this provision and entitled to enforce it.

16.19. Required Contractual Nondiscrimination Clause.

Team, for itself and its successors and assigns, shall cause the following clause to appear in all contracts, licenses or sublicenses concerning the Premises: "Any supplier, contractor or lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public because of race, creed, ancestry, color, religion, sex, marital status, disability or national origin. The supplier, contractor or lessee shall ensure that applicants are employed, and that employees are dealt with during employment without regard to their race, creed, color, ancestry, religion, sex, marital status, disability or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The supplier, contractor, or lessee further agrees that this clause will be incorporated in all subcontracts entered into with suppliers of materials or services, and all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract." The clause required by this Lease may be modified or deleted to conform to changes in Applicable Laws and deleted when no longer required by Applicable Laws.

16.20. Quiet Enjoyment.

If and so long as Team shall comply with all of the covenants, conditions and provisions of this Lease on Team's part to be observed and performed hereunder, Team shall peaceably and quietly have, hold and enjoy the Premises for the Lease Term, subject nevertheless to all of the provisions of this Lease.

16.21. Subordination, Nondisturbance and Attornment.

This Lease, and all rights of the Team hereunder shall be subject and subordinate to any mortgages which may encumber the Premises that are granted in connection with any financing arrangement granted with respect to the development of the Premises. Notwithstanding anything to the contrary contained in this Article, with respect to any mortgage to which this Lease is subordinate, such subordination shall be contingent upon the Authority securing the agreement or acknowledgment of the mortgagee (which shall be obtained pursuant to a separate written agreement with the Team) that this Lease, the Team's rights hereunder and the Team's right to continue occupancy of the within leasehold estate shall not be affected or disturbed in the event of a default by Authority (or any successor) under any mortgage and subsequent foreclosures or eviction. Such subordination shall also provide to the Team the right to elect to cure defaults under the mortgage. The Team agrees to execute and deliver its written agreement in favor of the mortgagee to attorn to and perform under this Agreement. If any mortgagee or purchaser in foreclosure or other assignee shall succeed to the rights of the Authority hereunder, whether through possession, foreclosure action or delivery of a new lease or deed, or otherwise, then, at the request of such party ("**Successor Landlord**"), the Team shall attorn to, and recognize, each Successor Landlord as the Team's landlord under this Lease and shall execute and deliver any reasonable instrument such Successor Landlord may reasonably request to further evidence such attornment; provided, however, that the Team's attornment shall be subject to the condition that the Successor Landlord agrees to recognize the Team as the owner of the within leasehold estate and the possessory rights thereto, on and subject to all of the terms, conditions, obligations and benefits of this Lease. If a mortgagee shall so elect by notice to the Team, this Lease and the Team's rights hereunder shall be superior and prior in right to the mortgage of which such mortgagee has the benefit with the same force and effect as if this Lease has been executed, delivered and recorded prior to the execution, delivery and recording of such mortgage.

16.22. Estoppel Certificate.

The Team, agrees that at any time and from time to time upon not less than ten (10) Business Days' prior request by Authority, the Team will execute, acknowledge and deliver to the Authority a statement in writing certifying: (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that the same are in full force and effect as modified and identifying the modifications); (b) the date to which the rent and other charges have been paid; (c) that the Authority is not in default under any provisions of this Lease or, if there has been a default, the nature of said default; (d) that all work with respect to the Premises to be performed by the Authority under this Lease or any Related Agreement has been performed, or if not so performed, specifying the work to be performed; and (e) any other matter

that the Authority or such prospective mortgagee or other lender shall reasonably request, it is intended that any such statement may be relied upon by any person, prospective mortgagee of, or assignee of any mortgage, upon such interest.

16.23. Option to Purchase in Favor of Commonwealth.

The parties acknowledge that, pursuant to Section 504 (8) of the Capital Facilities Act, upon any sale of the Leased Premises, or upon termination of this Lease, the Commonwealth has the option to purchase a one-third (1/3) interest in the Leased Premises, for the sum of one dollar (\$1.00).

16.24. Tax-Exempt Financing.

In the event the Authority determines, based upon the advice of nationally recognized bond counsel, that continued compliance with the provisions of this Lease could adversely affect the tax-exempt status of the interest on any bonds issued by the Authority to finance a portion of the costs of the Project, the parties agree to make such reasonable efforts, including amendment of the provisions of this Lease, to the extent necessary to preserve such tax-exempt status; provided, that such amendment will not have a material adverse impact or result in a substantial additional cost to the Team. The obligations of the parties under this Section will be subject to Section 14.9 without regard to the amount in controversy.

16.25. Restrictive Covenant Agreement.

The Authority and the Commonwealth will enter into a Restrictive Covenant Agreement as required by Section 26 of the Grant Agreement.

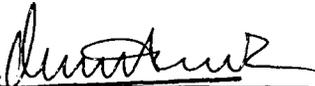
16.26. Team Subject to MLB.

The parties hereby acknowledge that Team is a constituent member of MLB, and as such, is, or may be, subject to (a) certain present or future agreements or arrangements entered into with third parties by, or on behalf of, Major League Baseball, Major League Baseball Enterprises, Inc., Major League Baseball Properties, Inc., Major League Baseball Properties Canada, Inc. and/or Baseball Television, Inc. (collectively, the "MLB Entities"), either on its own behalf or on behalf of the Major League Baseball clubs; (b) certain present or future agreements or arrangements entered into between the Team and any of the MLB Entities (the Team hereby agrees that it will not consent to an agreement or arrangement inconsistent with this Lease), and (c) the applicable rules, regulations, guidelines, policies, agreements, bulletins or directives issued by any of the MLB Entities. The Team represents that, as of the date of this Lease, and to its knowledge, this Lease is not inconsistent with any such terms.

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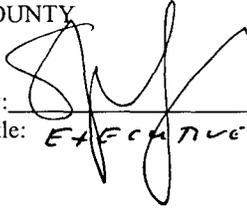
WITNESS the due execution hereof:

ATTEST/WITNESS:

By:   
Title: **Mark R. Hornak**  
**Assistant Secretary**

[SEAL]

SPORTS & EXHIBITION AUTHORITY  
OF PITTSBURGH AND ALLEGHENY  
COUNTY

By:   
Title: **EXECUTIVE DIRECTOR**

PITTSBURGH ASSOCIATES

By: Pittsburgh Baseball, Inc., its general  
partner

By:   
Title: **VICE-PRESIDENT & COO**

[SEAL]

By:   
Title: **MANAGING GENERAL PARTNER  
& CEO**