
JACKSON COUNTY SPORTS COMPLEX AUTHORITY

AND

KANSAS CITY ROYALS BASEBALL CORPORATION

Lease Agreement

Dated as of November 1, 1970

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THIS AGREEMENT is made as of the 1st day of November, 1970, between JACKSON COUNTY SPORTS COMPLEX AUTHORITY, a body corporate and politic and political subdivision of the State of Missouri (hereinafter referred to as "the lessor"), and KANSAS CITY ROYALS BASEBALL CORPORATION, a Missouri corporation (hereinafter referred to as "the lessee").

Jackson County, Missouri (hereinafter referred to as "the county"), is constructing a sports complex consisting of a football stadium having a seating capacity for approximately 78,000 persons (hereinafter referred to as "the football stadium"); a baseball stadium having a seating capacity for approximately 42,000 persons (hereinafter referred to as "the baseball stadium"); an unenclosed stadium plaza exhibition area located between the two stadiums (hereinafter referred to as "the stadium plaza"); a central food and employee service facility beneath the stadium plaza (hereinafter referred to as "the central service facility"); parking facilities for approximately 16,000 cars; and access and circulation roadways on a tract of real estate owned by the county, located in Kansas City, Jackson County, Missouri, described as follows:

A tract of land located in Sections 19, 20, 29 and 30 Township 49 North, Range 32 West, in Kansas City, Jackson County, Missouri, containing 306.61 acres, more or less, bounded on the South by the northerly right-of-way line of the Chicago Rock Island and Pacific Railroad; on the West by a curved line which extends from the CRI&P RAILROAD Right-of-Way northerly to the Southerly curb line of Reconstructed Leeds Road, said Westerly boundary line being located 20 feet outside and parallel to the continuous exterior curb line formed by the Southwest Access Road to the Complex, a portion of the Main peripheral roadway around the Complex, and the Northwest Access Road to the Complex; on the North by the southerly curb line of reconstructed Leeds Road and a property line established to provide access from Reconstructed Leeds Road to the Missouri State Highway Department Radio Tower; on the Northeast by the southwesterly right-of-way line of U. S. Interstate Highway No. 70; and on the East by the Westerly curb line of Reconstructed Blue Ridge Cut-off, the legal description of which tract is set forth in exhibit (A), attached to and made a part of this agreement.

(which real estate and facilities are hereinafter collectively referred to as "the sports complex").

The lessor was created, and exists, pursuant to R. S. Mo, 1969 sections 64.920 to 64.950, as amended.

By agreement dated as of October 31, 1970, the county has leased the sports complex to the lessor and has granted to lessor the right to sublease the sports complex, and the lessor has thereby agreed to issue and sell revenue bonds and to apply the proceeds thereof to complete the construction of the sports complex. Such revenue bonds of lessor (hereinafter referred to as "the bonds") are to be issued pursuant to a resolution duly adopted by the lessor (hereinafter referred to as "the resolution"), and the bonds are to be secured by a pledge of rentals and other revenues derived from two stadium leases entered into by lessor (of which this agreement is one). The October 31, 1970, agreement between the county and the lessor is incorporated herein by reference and is hereinafter referred to as "the county agreement". The fiscal agent designated in the resolution is hereinafter referred to as "the fiscal agent".

Lessee is a member of the Western Division of the American Baseball League and owns the professional major league team known as the Kansas City Royals, which presently has a franchise to conduct professional baseball games in the Greater Kansas City area.

Lessor desires to lease to lessee, and lessee is desirous of leasing from lessor the baseball stadium and related facilities of the sports complex upon the terms and conditions herein set forth.

Lessor is contemporaneously leasing to Kansas City Chiefs Football Club, Inc., a Texas corporation, the football stadium and related facilities of the sports complex, and Kansas City Chiefs Football Club, Inc. is hereinafter referred to as "the co-tenant".

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

Lessor hereby leases to lessee, and lessee hereby leases from lessor, the premises described in article II hereof on the terms and conditions hereinafter set forth.

ARTICLE I

TERM

A. The initial term of this lease shall be for the period of 25 years commencing on April 1, 1972 and ending on March 31, 1997, subject, however, to the provisions for extension contained herein.

B. The lessee shall have the option of renewing the rights conferred upon it by this agreement with respect to the occupancy and use of the sports complex for an additional period of ten years (or such longer period as may be determined pursuant to paragraph C) commencing upon the expiration of the initial term (said additional period being hereinafter called the "renewal term"). Said renewal option shall have been deemed exercised only if, not less than one year before the expiration of the initial term, lessee has served upon the lessor notice of its election to exercise said option. If the lessee exercises said renewal option, all of the provisions of this agreement shall be as fully effective during the renewal term as during the initial term, except that: (1) the rent payable to the lessor by the lessee during each year of the renewal term shall be determined in accordance with the provisions of this agreement specifying rent payable to the lessor by the lessee for the renewal term; and (2) the lessee shall have no right of renewal for any period after the expiration of the renewal term.

C. 1. If during the initial term there has been a delay in, or suspension of, occupancy as contemplated by the provisions of article III (Reimbursement of Advance Rent), and article XVIII (Force Majeure), or of any one or more of them, then the initial term shall be extended for an additional period equal to the sum of such periods of suspension as have occurred during the initial term. Any such extension of the initial term shall be on the same terms and conditions as those set forth in this agreement with respect to the last year of the initial term, except that, if the lessee was required by the terms and conditions of this agreement to continue the payment of rent during such delay in, or suspension of, occupancy, and such payment was not reimbursed as contemplated in Article III (Reimbursement of Advance Rent) no rent (basic or percentage) will be payable by the lessee to the lessor during that part or all of the additional period attributable to delays in, or suspensions of, occupancy during which the payment of unreimbursed rent continued.

2. If at the date of termination of the initial term there shall exist a suspension of this agreement pursuant to the provisions of article XVIII (Force Majeure) which began prior to said date of termination, then the extension granted pursuant to C.1. shall begin on the date of the end of such period of suspension and not on the date of termination of the unextended initial term.

3. If the renewal option is exercised and during the renewal term there has been a suspension of this agreement pursuant to the provisions of article XVIII (Force Majeure), or any one or more of them, then the renewal term shall be extended for an additional period equal to the sum of such periods of suspension as have occurred during the renewal term. Such extension of the renewal term shall be on the same terms and conditions as those set forth in this agreement with respect to the last year of the renewal term.

4. If at the date of termination of the renewal term there shall exist a suspension of this agreement pursuant to the provisions of article XVIII (Force Majeure) which began prior to said date of termination, then the extension granted pursuant to C.3. shall begin on the date of the end of any such period of suspension and not on the date of termination of the unextended renewal term.

D. In the event of any extension of this lease for any period other than a complete lease year or years, this lease shall be further extended to the March 31 following the end of such extension so that the lease shall end at the close of a complete lease year. (For example this lease is to commence on April 1, 1972 and end on March 31, 1997. If possession of the leased premises is not delivered to lessee until September 30, 1972, the lease term shall end on March 31, 1998.) A "complete lease year" for purposes of this paragraph D shall mean the one year period beginning on April 1 in any year and ending on March 31 of the following year.

ARTICLE II

PREMISES

A. 1. Pursuant to the county agreement the lessor will complete construction of the sports complex premises to be leased to lessee (except for those portions thereof which the lessee is required or permitted to construct as provided in article IV). The sports complex shall be constructed in accordance with and shall have the facilities shown on or described in the plans and specifications listed and described in exhibit (B) annexed hereto, and any change orders, amendments or modifications thereof and supplements thereto made as hereinafter permitted. The plans and specifications described in exhibit (B) as such plans or specifications are amended or changed as hereinafter permitted, are hereinafter called the "construction plans".

2. The lessor will have the right to adopt change orders or to amend the construction plans and to construct the sports complex in accordance with such change orders or amended plans, provided that the written consent of the lessee has been secured, which consent shall not be unreasonably withheld by the lessee.

3. The lessor will use all reasonable efforts to expedite the construction and completion of the sports complex in accordance with the construction plans, it being understood that it is desired by lessor and lessee that the baseball stadium and its related facilities will be ready for use at the earliest possible date.

4. The lessee's officers, employees and agents shall have access to the site of the work during the construction of the sports complex for the purpose of inspecting the progress of construction and of planning the work which the lessee is required or permitted to perform in, on or to the baseball stadium as hereinafter in this agreement provided, except that the lessor shall not be required to permit such access at a time when, or in an area where, such access should not be permitted for reasons of safety.

B. 1. Commencing on the later of: the date of commencement of the term specified in article I (Term); or the expiration of any delay in occupancy as discussed in article III (Reimbursement of Advance Rent), the lessor grants to the lessee the exclusive right to occupy and use the baseball stadium, and its immediate environs, except those portions of such stadium and environs designated on attached exhibit (C) as follows:

Spaces colored in yellow and reasonable access at all times thereto, which spaces are constructed for, and intended for use of, the lessor and the county.

Spaces colored in green and reasonable access at all times thereto, which spaces are constructed for, and intended for the joint use of, both the lessee and the co-tenant.

As used herein, the term "immediate environs", which are leased exclusively to lessee with the baseball stadium, shall be the walkways, driveways, grounds, parking areas, and enclosures colored blue on exhibit (C).

2. Commencing on the later of: the date of commencement of the term specified in article I; or the expiration of any delay in occupancy as discussed in article III, the lessor grants to the lessee the co-exclusive right with the co-tenant to use and occupy:

Spaces, facilities and areas colored in green on exhibit (C); and
All areas of the sports complex, except for the baseball stadium and its immediate environs and the football stadium and its immediate environs.

C. 1. In order to provide funds for the payment of the cost of the completion of construction of the sports complex, the lessor intends to sell and cause to be delivered to the purchasers thereof such aggregate principal amount of the bonds as may be reasonable and necessary, bearing interest and maturing as set forth in the resolution (hereinafter sometimes referred to as "the bonds"), and the lessor will thereupon (a) deposit in a sinking fund a sum equal to the accrued interest on the bonds paid by the purchasers of the bonds together with a portion of the proceeds which, when added to such accrued interest, will be equal to \$1,280,000; and (b) deposit in the construction funds created under the resolution the balance of the proceeds received from the sale of the bonds.

2. The lessor will in the resolution authorize and direct the fiscal agent to use the moneys in the general construction fund for the following purposes (subject to the provisions of this article regarding the investment of money in the general construction fund):

(a) Payment of the initial or acceptance fee of the fiscal agent, and printing and engraving costs incurred in connection with the authorization, sale and issuance of the bonds, the resolution and all other documents in connection therewith; provided that each such payment shall be made only upon receipt by the fiscal agent of a statement therefor approved in writing by the lessor, and together with a bill therefor.

(b) Payment for labor, services, materials and supplies used or furnished to complete the construction of the sports complex, all as provided in the specifications therefor, payment for the cost of the acquisition of the necessary

equipment and the installation thereof, payment for the cost of the construction, acquisition and installation of utility services and all real and personal property deemed necessary in connection with the sports complex and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on each surety bond required to be deposited with the fiscal agent under any of the provisions of the resolution which relate to the sports complex; provided that each such payment shall be made only upon a written order by the lessor accompanied by a contractor's estimate or bill in the amount specified in said order approved in writing by the lessor.

(c) Payment of the fees, if any, for architectural, engineering and supervisory services with respect to the sports complex, provided that each such payment shall be made only upon a written order of the lessor, accompanied by a bill in the amount specified in said order approved in writing by the lessor.

(d) Payment to the fiscal agent, as such payments become due, of the fees and expenses of the fiscal agent (as fiscal agent, bond registrar and paying agent) and of any paying agent properly incurred under the resolution that may become due during the construction period.

(e) Payment of expenses incurred with approval of the lessor or lessee, as the case may be, in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the completion of construction of the sports complex.

(f) Payment of any other costs and expenses relating to the completion of construction of the sports complex that may be approved in writing by the lessor.

(g) All moneys remaining in the general construction fund after the completion of construction and after payment or provision for payment of all other items provided for in the preceding paragraphs (a) to (f), inclusive, and after provision for repayment of advance rentals as provided in article III hereof, shall be paid into the surplus fund provided for in the resolution, except for amounts retained by the fiscal agent, with the approval of the lessor for payment of items not then due and payable, any balance remaining of such retained funds after full payment of the cost of the completion of construction to be paid into said surplus fund.

3. The fiscal agent may advance moneys from the construction fund (including amounts retained under the preceding subsection (g) of this article) to the lessor or a contractor acting as agent of the lessor for use by the lessor or such agent in making any of the payments referred to in the preceding subsections (b), (c) or (f) of this article, if there is furnished to the fiscal agent an agreement satisfactory to the fiscal agent as executed by the lessor indemnifying the fiscal agent against any loss occasioned by the failure of the sports complex architects to certify on or before the completion of construction that the amounts so advanced have been used to make payments referred to in said subsections (b), (c) and (f) or are being retained in accordance with said subsection (g) to make such payments.

4. Before any of the payments referred to in the preceding subparagraphs (b), (c) and (f) of this article may be made, the county shall certify to the fiscal agent that all of the county's sports complex general obligation bond funds (including interest earned thereon) have been expended and the sports complex architects shall certify with respect to each such payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the construction fund, and (b) that each item for which the payment is proposed to be made is or was necessary or appropriate in connection with the completion of the sports complex.

5. The lessee agrees to cooperate with the lessor in furnishing to the fiscal agent the documents referred to in this article that are required to effect payments out of the construction fund, and the lessor agrees to cause such orders to be directed to the fiscal agent as may be necessary to effect payments out of the construction fund. Such obligation of the lessor is subject to any provisions of the resolution requiring additional documentation with respect to payments and shall not extend beyond the moneys in the construction fund available for payment under the terms of the resolution.

6. The completion of construction shall be evidenced to the fiscal agent and the lessee by a certificate signed by the sports complex architects and acknowledged by the lessor stating that, except for amounts retained by the

trustee for costs not then due and payable as provided in subparagraph (g) above, (i) construction of the sports complex has been completed substantially in accordance with the specifications therefor and all labor, services, materials and supplies used in such construction have been paid for, and (ii) all other facilities necessary in connection with the sports complex have been constructed, acquired and installed in accordance with the specifications therefor and all costs and expenses incurred in connection therewith have been paid. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being.

7. The firm of Kivett & Myers, Kansas City, Missouri, is hereby designated as the sports complex architects for the purpose of taking all actions and making all certificates required to be taken and made by the sports complex architects under the provisions of this agreement. In the event Kivett & Myers should be removed by the lessor or should become unavailable or unable to take any action or make any certificate provided for in this agreement, other sports complex architects who are acceptable to the fiscal agent shall thereupon be appointed by the lessor. The fiscal agent shall not unreasonably withhold such acceptance.

8. Any moneys held as a part of the general construction fund shall be invested or reinvested by the fiscal agent as provided in the resolution. Interest and other income received on moneys or securities in such general construction fund shall be withdrawn when received and deposited in the investment reserve account and applied as provided in article III of this agreement and the resolution.

ARTICLE III**REIMBURSEMENT OF ADVANCE RENT**

Lessor shall use its best efforts to have a fully completed baseball stadium and reasonably necessary accessory and appurtenant facilities ready for use in connection with lessee's games on or before April 1, 1972. In the event of the possibility or probability that the said stadium and facilities may not be substantially completed on schedule, lessor will notify lessee at the earliest possible date of such possibility or probability and of the then likely extent of the delay in substantial completion, and will thereafter keep lessee advised of any changes in the situation. In the event that the baseball stadium is not substantially completed, ready for use, by the first scheduled home game date of lessee's 1972 regular season, or that lessor does not advise lessee in writing on or before January 1, 1972, that said stadium and facilities will be substantially completed and ready by such first home game date, lessee shall have the right to make arrangements for other playing facilities for home games for all or any part of its 1972 season (including play-off and world series schedule, if any), provided, however, lessee will not be relieved of its obligation to pay rent in accordance with article VI by virtue of lessor's failure to complete construction of the leased premises by such date. In the event that the baseball stadium is not completed by lessee's first scheduled 1972 home game, or May 1, 1972 whichever is earlier, a "delay in occupancy" within the meaning of article I will exist from April 1, 1972, to the earlier of: the date of completion certified as hereinafter set forth; or the date of first utilization by lessee as hereinafter described. The lessor will apply the following funds to reimburse the lessee for rent paid by lessee during the delay in occupancy, which application will be in the order such sources of funds are set forth:

(a) Not less than 44% of any interest earned by temporary investment of proceeds of revenue bonds issued by the lessor to finance construction of the sports complex (funds in the investment reserve fund referred to in the resolution);

(b) Not less than 50% of any funds remaining in the general construction fund referred to in the resolution after completion of all construction;

(c) Not less than 50% of: any excess of any liquidated damages paid to the county by construction contractors who default in their contracts for the construction of the sports complex over the county's and lessor's direct out-of-pocket expenses, liabilities and obligations arising from such defaults;

(d) Any remaining portion of the other 56%, 50% and 50%, respectively, of the funds described in (a), (b) and (c) not applied to reimburse the co-tenant for rent paid by the co-tenant during a delay in occupancy by the co-tenant under the provisions of the co-tenant's lease from the lessor; and

(e) Percentage rentals referred to in article VI provided, however, that such reimbursement out of percentage rentals shall be limited to that amount which, when added to items (a) through (c) above shall not exceed a maximum of the initial two years' basic annual rent, and provided further that such reimbursement out of percentage rentals shall be subject to the provisions of the resolution.

If the lessee utilizes the leased premises for public, commercial sporting events, exhibitions or other types of attractions, the leased premises shall be deemed to be substantially complete on the date of the first such usage as far as the rights of the lessor and lessee hereunder are concerned.

The lessor will furnish to the lessee a copy of the sports complex project architects' certificate of completion along with a certification of the lessor's concurrence that such completion has occurred.

ARTICLE IV

CONSTRUCTION TO BE PERFORMED BY LESSEE

Attached to, and made a part of, this agreement as exhibit (E) is a listing of baseball stadium facilities which are to be constructed at the expense of the lessee. To the extent possible, the facilities to be constructed by the lessee are identified by reference to the construction plans. Certain facilities listed in exhibit (E) which are to be constructed at lessee's expense are presently included in the construction contracts entered into by the county, and, with respect to those facilities already contracted for, lessee agrees to

promptly pay to the county the construction costs and architectural and engineering fees expended by the county with respect to such facilities.

With respect to items listed in exhibit (E) which are not currently the subject of executed construction contracts, lessee will make timely arrangements for the construction of such facilities so that such facilities will be available and ready for use upon completion of the construction of the baseball stadium. In this connection, lessee may request that the construction of such facilities be included by change order in existing contracts entered into by the county or that such construction be added to construction contracts still to be let by the county, or lessee may independently contract with others for any of such items.

Attached to, and made a part of, this agreement as exhibit (F), is a listing of baseball stadium facilities which may, at lessee's option, be constructed at lessee's sole expense. If lessee desires, upon the request of lessee, such optional facilities will be added by change order to existing construction contracts entered into by the county or added to future contracts to be entered into.

The construction by or for lessee of the baseball stadium facilities required to be provided by lessee at lessee's expense as set forth in exhibit (E) or the facilities which may be constructed by lessee at lessee's expense as set forth in exhibit (F) shall with respect to (1) structural soundness, (2) quality of materials and construction, and (3) aesthetic conformity to the baseball stadium be subject to the approval of (which approval shall not be unreasonably withheld) and in all respects coordination with the sports complex project architects so as to insure that such construction does not interfere, and proceeds harmoniously, with other construction of the sports complex, but such approval and coordination shall be at no cost or expense to lessee except to the extent that lessee has already agreed, or does hereafter agree, in writing.

In addition to the improvements hereinabove contemplated, lessee at any time shall have the right to make additions, alterations or improvements to the leased premises, provided lessee gives thirty (30) days' written notice to lessor together with copies of plans and description of said additions, alterations or improvements (for the purpose of showing compliance to (1) through (6) below) and, provided, however, unless the lessor consents in writing, or unless such addition, alteration or improvement is expressly permitted by some other provision of this lease, no such addition,

alteration or improvement shall: (1) impaired to any extent the structural soundness of the baseball stadium, (2) interfere significantly with the use of the football stadium, (3) interfere significantly with the use of the common areas by the co-tenant, (4) significantly reduce the seating capacity of the baseball stadium, (5) significantly reduce the number of parking spaces in the parking areas of leased premises, or (6) materially alter the quality, character, usefulness or attractiveness of any part of the leased premises.

In addition to the improvements hereinabove contemplated, lessee at any time shall have the right to make additions, alterations or improvements to those areas of the baseball stadium not generally open to the public use or view during events in the baseball stadium, provided only, however, that no such addition, alteration or improvement shall impair to any extent the structural soundness of the baseball stadium.

Unless otherwise agreed to in writing and subject to article XXV (Default) and the other provisions of this article any such additions, alterations or improvements constructed by lessee on the leased premises shall at the end of the lease term or any renewal thereof become the property of the county or its successor or successors.

The county, and/or the lessor at any time may construct a moving roof over the stadiums, provided that the work in connection therewith is performed at such times and in such manner as not to interfere significantly with the use of the baseball stadium or any of the leased premises by lessee in accordance with the other provisions of this lease.

The lessee will provide miscellaneous supplies, fixtures, equipment, appliances, furniture, furnishings, including built-in objects of art, utensils, scoreboards and other articles for the operation of the baseball stadium and the common use areas for the exhibition of baseball and any other event including the sale or rental of concession items, operation of stadium clubs and private suites, all of which items shall remain the property of the lessee.

Lessee shall not be required to remove any of said supplies, fixtures, equipment, appliances, furniture, furnishings, including built-in objects of art, utensils, scoreboards and other articles from the leased premises at the expiration or termination of the term of this lease or any renewal thereof but if same are removed lessee shall make reasonable repairs of damage caused by any such removal from the leased premises.

Lessee shall have no right to remove from the leased premises at the expiration or termination of the term of this lease any supplies, fixtures, equipment, appliances, furniture, furnishings, utensils, signs, lockers or other articles originally furnished by lessor or any replacements for any such items originally furnished by lessor.

ARTICLE V

MECHANIC'S LIENS

Lessee shall not permit any mechanic's, materialman's or similar lien to be filed against the leased premises or any improvement on the leased premises on account of any work, labor or service performed by, or materials furnished to, lessee or anyone holding or occupying the leased premises through or under lessee, or any of their respective contractors or subcontractors. If any such lien shall be filed against the leased premises or improvements thereon, lessee shall, without cost or expense to lessor, forthwith cause the same to be either (1) discharged of record; or (2) diligently contested, in which event any final judgment or other process issued in such contest against lessee shall be promptly paid and discharged before execution thereon.

Lessor shall not permit any mechanic's, materialman's or similar lien to be filed against any part of the leased premises or any improvement thereon, on account of any work, labor or service performed by, or materials furnished to, lessor, the county, or any of its contractors or subcontractors. If any such lien shall be filed against the leased premises or improvements thereon, lessor shall, without cost or expense to lessee, forthwith cause the same either to be (1) discharged of record; or (2) diligently contested, in which event any final judgment or other process issued in such contest against lessor shall be promptly paid and discharged before execution thereon.

If the party whose work shall have resulted in the filing of any such lien shall fail to take action as above provided, then the other party or the fiscal agent, in addition to any other remedies available to the other party or to the fiscal agent, may pay the amount of such lien (subject to the foregoing rights to contest the same) or of such judgment, in which event, such other party or the fiscal agent shall be entitled to reimbursement from the other party in the amount of the payment plus interest at the rate of six percent (6%) per annum from the date of such payment.

ARTICLE VI

RENT

Lessee will pay to lessor a basic annual rental in the amounts and at the times set forth in the Rent Schedule attached hereto. During the renewal term of this lease, if any, the basic annual rental will be \$480,000 payable in four equal installments of \$120,000 each beginning on April 1 of each year and continuing on June 1, August 1 and October 1.

In addition to the fixed annual rental specified in the foregoing paragraph, lessee will pay to the lessor within thirty-one days following the end of each twelve month period commencing on the date of occupancy during the term hereof an annual percentage rental in any such twelve month period in which gross receipts, net of taxes, exceed \$5,000,000. This percentage rental will be computed as follows:

(a) Six percent of gross receipts, net of taxes, in excess of \$5,000,000 up to \$7,500,000; and

(b) Five percent of gross receipts, net of taxes, in excess of \$7,500,000.

If the initial term shall be extended so as to exceed twenty-five years as provided for in paragraph D of article I (Term), any percentage rental due for the partial year of the term beyond twenty-five years, shall be computed by applying a fraction the numerator of which is the number of months in such partial year and the denominator of which is twelve to the \$5,000,000 and \$7,500,000 figures above and thereby prorating the percentage rentals for such partial year.

"Gross receipts" for the purpose of (a) and (b) above shall include, and shall be limited to, (1) the gross amount received for admissions or the right to admissions to or for professional baseball games exhibited by lessee in the baseball stadium and which remain after first deducting therefrom any tax or taxes as hereinafter defined; (2) the gross amount received for admissions or the right to admission to or for any event exhibited by the lessee in the baseball stadium or leased premises other than the baseball stadium and which remains after first deducting therefrom any tax or taxes hereinafter defined; (3) the gross income received by lessee from the use of

the parking areas for parking of automobiles and other vehicles and which remains after first deducting therefrom any tax or taxes as hereinafter defined; (4) all amounts received by the lessee as rentals for the use of the baseball stadium or any part of the leased premises for any event exhibited by others than lessee and which remain after first deducting therefrom any tax or taxes as hereinafter defined; (5) the gross amount received from all concession sales (excluding stadium club concession sales) such as, for example, food, beverages, seat cushions, novelties, souvenirs, etc., or the rental of any item of personal property such as, for example, seat cushions, binoculars, etc., in the baseball stadium, except amounts received from (a) the sale of programs, yearbooks and other club publications and advertising space or rights in respect to such programs, yearbooks and other club publications, (b) from any sale or lease of rights to private suites (other than admission tickets for private suite seats), (c) from the sale of stadium club memberships and the sales of food, beverages and other items from the stadium club; and (6) the gross income received by the lessee from pay television (as hereinafter defined) within a radius of 75 miles from the sports complex.

Gross receipts shall not include any amounts received by lessee by virtue of the broadcast, rebroadcast, reproduction, transmission or dissemination by radio, television (other than pay television as hereinafter defined), telegraph, telephone, or other method of reproduction, transmission, communication, or exhibition of or from all events held, exhibited or played within the leased premises.

"Gross receipts, net of taxes" shall mean "gross receipts" as above defined less any tax or taxes in effect at any time during the term of this agreement, whether imposed by the City of Kansas City, Missouri, the county, the State of Missouri, the United States of America, or any other governmental authority, which is computed on or fixed by reference to any amount which constitutes part of gross receipts and which is required to be collected by the lessee (and its concessionaires, if any) from those from whom gross receipts are collected or received, irrespective of whether such tax may be included in the price of admission or is required to be separately stated and irrespective of the name (e.g., excise tax, sales tax, etc.) by which such tax is denominated.

With respect to the definition of "gross receipts" set forth above, games and other events exhibited by lessee shall include games and other events exhibited by: (1) subsidiary corporations controlled by lessee; (2) share-

holders of lessee or corporations in which such shareholders own a direct or beneficial interest; and (3) officers and employees of lessee or corporations in which such officers or employees own a direct or beneficial interest.

The term "pay television" for purposes of this article shall mean any method of transmitting live television signals of events by lessee at the leased premises in connection with which a charge is made to the receiver or viewer for the reception of signals in a final useable form. Pay television shall include, without limitation of the generality of the foregoing, live telecasts in theatres to which viewers pay an admission charge, cable and CATV systems, and metered, subscriber or so-called "pay-as-you-see" home television.

Lessee shall keep adequate books and records in accordance with sound accounting principles which will correctly reflect gross receipts and all books and records supporting lessee's computation of gross receipts and said books and records shall be subject to audit or inspection at any reasonable time by the county auditor or any reputable certified public accountant designated by the county, the lessor or the fiscal agent. This right of audit or examination shall not, however, extend to any unrelated books and records of lessee. It is understood and agreed that the audit or inspection by the county auditor or other reputable certified public accountant as aforesaid is for the purpose of verifying rent due the lessor and the audit and verification does not make said computation of gross receipts and said books and records a public record of the county.

Subject only to the provisions of article XXV (Default) hereof, in the event the lessee should fail to make any of the payments required in this article, the item or installment so in default shall continue as an obligation of the lessee until the amount in default shall have been fully paid, and the lessee agrees to pay the same with interest thereon at the rate of six per centum (6%) per annum until paid.

During any period when any of the bonds are outstanding, the rent provided for in this article shall be paid directly to the fiscal agent for the account of the lessor and will be deposited by the fiscal agent in the funds and accounts created under the resolution at the times and in the amounts prescribed therein.

The obligations of the lessee to make the payments required in this article and to perform and observe the other agreements on its part contained in this lease shall be absolute and unconditional, except as herein otherwise

provided, and, in any event, such rental payments shall not be subject to diminution by set-off, counterclaim, abatement or otherwise until such time as the principal of and interest and premium, if any, on the bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the resolution. Except as otherwise provided in this lease, lessee will not terminate this lease for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the leased premises, commercial frustration of purpose, any change in the tax or other laws of administrative rulings of or administrative actions by the United States of America or the State of Missouri or any political subdivision of either, or any failure of the lessor to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the lease. Nothing contained in this article shall be construed to release the lessor from the performance of any of the agreements on its part herein contained; and in the event the lessor shall fail to perform any such agreement on its part, the lessee may institute such action against the lessor as the lessee may deem necessary to compel performance or recover its damages for nonperformance, provided that no such action shall (i) violate the agreements on the part of the lessee contained in the first sentence of this paragraph, or (ii) diminish the amounts required to be paid by the lessee pursuant to this article hereof. The lessee may, however, at its own cost and expense and in its own name or in the name of the lessor, prosecute or defend any action or proceeding or take any other action involving third persons which the lessee deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the lessor hereby agrees to cooperate fully with the lessee and to take all action necessary to effect the substitution of the lessee for the lessor in any such action or proceeding if the lessee shall so request.

ARTICLE VII

LESSEE'S RIGHT TO USE

Except as limited by article XIII (Conflicts and Arbitration) which requires the lessee to cooperate with the co-tenant in lessee's usage of the common areas of the leased premises and except as provided in article VIII (Civic and Charitable Use) the leased premises shall be under the management and control of the lessee and the lessee shall have the right to use, occupy, possess, enjoy, and rent the leased premises or any part thereof for any and all lawful purposes, and to allow others to use, occupy, possess and enjoy the leased premises or any part thereof for any and all lawful purposes.

During the term of this lease agreement, or any extension thereof, lessee shall play or conduct the majority of its professional baseball home games in the stadium, and agrees to play no fewer than seventy-five (75) percent of its home games in said stadium. However, lessee in its sole and absolute discretion, and when in conformity with regulations of the American Baseball League, shall have the right to play or conduct games, including so-called "home games", in places other than the stadium during, prior to, or after the regular season. Lessee agrees to play or conduct games at the stadium which involve it as a participant in divisional championships or play-offs or in the World Series, except in the event the American League schedule or rules affecting divisional championships or World Series require lessee to conduct its games at places other than the baseball stadium.

Lessee shall have the exclusive right to broadcast, re-broadcast, reproduce, transmit or disseminate by radio, television, telegraph, telephone, or other method of reproduction, transmission, communication, or exhibition of all or any part of the events held, exhibited, or played within the leased premises. Except with respect to pay television (as provided in article VI (Rent)) the lessor will not share in the lessee's receipts from such broadcasts or from the exercise or sale of any such rights, including revenue from advertising related or connected therewith.

Prices charged by the lessee for tickets, parking and concessions will conform generally to, and be competitive with, prices charged in other cities having a professional sports franchise similar to that owned by the lessee.

The lessor reserves the right of reasonable use of, and reasonable access on and across: The 20-foot strip abutting the 80-acre tract to the east of the 80-acre tract; the access and circulation roadways abutting such 20-foot strip; and the access and circulation roadways abutting the 80-acre tract. The lessor's right of use and access shall be consistent with the other provisions of this lease. "The 80-acre tract" means the tract so defined in the co-tenant's lease.

ARTICLE VIII

CIVIC AND CHARITABLE USE

The lessee in association with the co-tenant agrees to cooperate with the lessor and the county with regard to the use of the leased premises for civic and charitable purposes. The lessee, the co-tenant, the lessor, and the county must all consent to any civic and/or charitable use of the leased premises, which consents shall not be unreasonably withheld. It is understood and agreed that: (1) the lessee will operate its parking and food concessions to provide reasonably adequate services for such use; (2) unless otherwise agreed any such use will not occur within 48 hours prior to, and 48 hours subsequent to, any scheduled event by either the lessee or the co-tenant; (3) any such use will not conflict in nature with any event or proposed use of the leased premises by the lessee or the co-tenant; (4) "civic and charitable use" does not include such events as charity or benefit games, circuses, shows, or similar sports or entertainment attractions whether or not a ticket or entrance fee is charged; (5) all parking and concession revenues for any such use of the baseball stadium will be retained by the lessee subject only to the lessee's obligation to pay rentals based on gross receipts as herein otherwise provided for in this lease agreement; (6) any such user would be required to pay lessee promptly all direct costs of use of the leased premises or any part thereof, including a reasonable overhead charge, and the lessee shall have the right to require the user to post a bond or deposit unless the county guarantees or agrees to pay directly such reimbursement to the lessee; (7) any such user will be required to pay the cost, and furnish evidence, of adequate liability and property damage insurance to be approved by the lessor and the lessee (8) in addition to the reimbursement provided for the lessee above, the lessee shall be entitled to be reimbursed by the user for the lessee's expense in restoring the leased premises, if necessary, to its normal condition prior to the civic or charitable use. Such restoration shall be made by the lessee and billed to the user the cost plus a reasonable overhead charge, and (9) except for the reimbursement to the lessee herein provided for and the benefit, if any, of providing and operating parking and concessions, lessee is to receive no compensation for the use of the leased premises for the civic and charitable purposes as herein provided.

ARTICLE IX

UTILITIES AND SERVICES

The lessee, in cooperation with the co-tenant, shall, at the expense of the lessee and the co-tenant, install such meters, in addition to those provided for in the construction plans as may be necessary or desirable to measure the consumption of water, electricity and gas used in connection with the operation and maintenance of the sports complex. The lessee shall bear the expense of all utilities consumed in the baseball stadium, its immediate environs and all utilities directly related to events in the baseball stadium.

It is understood and agreed that the cost of utilities in common-use areas outside the baseball and football stadiums will be jointly borne by the lessee and the co-tenant in a manner and on a basis satisfactory to each of them, and such joint obligation shall be expressed in a separate agreement between them or as part of an overall joint written agreement comprising all joint obligations related to the sports complex.

After installation of all water, gas, electric and telephone lines, pipes, sanitary sewers, storm sewers, conduits, valves and appurtenances required to be installed or constructed by the county, and the lessor upon the leased premises in accordance with the construction plans and during the lessee's occupancy of the leased premises, the county and the lessor shall be exempt from paying any and all utility charges arising from the use of water, gas, electricity, telephone, or any other similar type charges arising from and in connection with the use of the leased premises during the terms of this lease and all such charges shall be promptly paid by the lessee.

ARTICLE X

OPERATION, MAINTENANCE AND REPAIR

The lessee, at its expense, will clean, operate, maintain and repair the leased premises (subject to the limitations concerning lessee's joint responsibility with the co-tenant referred to herein), except that lessor shall be responsible for the structural repairs as hereinafter set forth. Lessee's obligation shall include the cleaning of the baseball stadium, its immediate environs and the parking areas, circulation roadways, walkways and grounds

after each baseball stadium event or event on the leased premises other than in the baseball stadium, exhibited exclusively by the lessee; ordinary maintenance and repair of the heating, ventilating, air conditioning, hot water and electrical systems in the baseball stadium; ordinary maintenance and repair of the baseball stadium premises; ordinary maintenance, repair and replacement of spectator seats and seating and artificial turf in the baseball stadium; ordinary maintenance and repair of all the sports complex premises used jointly by the lessee and the co-tenant, which responsibility shall be a joint responsibility with the co-tenant. Lessee's obligation shall not include the maintenance and repair of access roads to the leased premises, and such shall be the responsibility of the county.

It is agreed, whether or not such condition proves to be true, that the following have a useful life as long or longer than the term of this lease and any extension thereof pursuant to article I (Term) of this lease agreement:

The structural portions of the baseball stadium and the structural portions of all other improvements constructed on the leased premises including as well, but without limitation, by reason of the mention thereof, the foundations, footings, piers, columns, walls, roofs, ramps, steps, platforms, risers, or any other parts thereof which are constructed of concrete, concrete block, brick or steel;

and it is further agreed that the lessee shall never be obligated to make any replacements or structural repairs to any of said items.

In addition, structural repairs shall include and the lessor shall make all necessary replacements of the following, which are located on the leased premises and installed pursuant to the construction plans if the replacement is required because of or results from general time deterioration:

The heating and air conditioning machinery and equipment including, but not limited to, boilers, condensers, and air handling equipment; plumbing; toilet fixtures; water lines, conduits and valves and fittings with a purchase cost in excess of \$50.00; electrical lines, conduits and appurtenances; fences, fence posts and gates; stadium, parking lot lighting and access road lighting installation except bulbs; stadium sound systems; garbage collection compaction and disposal systems; turnstiles, elevators; escalators; and similar structural items constructed on the leased premises.

ARTICLE XI

USER; REAL ESTATE TAXES

No user, or ticket or service tax, or any other tax of comparable nature, will be imposed by the County, unless mutually agreed upon by the parties to this agreement.

In the event that the property interest of the lessee in the leasehold estate hereby created is assessed for tax purposes and becomes subject to tax levies by any taxing authority within the State of Missouri, then the basic annual rentals due hereunder shall be abated in an amount equal to such tax, but such abatement shall not be greater than one-half of the basic annual rental for each year that such tax is assessed and levied during the base term of the lease, and not greater than one-half of the basic rent if such tax is assessed and levied during the renewal term of the lease; provided, however, that no such abatement shall be effective immediately upon such tax being assessed and levied so long as any of the bonds are outstanding and unpaid, or if such abatement would impair funds necessary for the payment of fire and extended coverage insurance, or the maintenance of a sinking fund for the effecting of structural repairs. In the event that any such abatement is not immediately effective because of any of the conditions set forth in the preceding sentence, any unused portion of such abatement shall be carried forward, bearing no interest and be available to the lessee as a credit against the rent due under the lease up to a maximum amount of \$200,000 in any one year of the base term and the amount of \$240,000 in any one year of the renewal term of the lease; provided, however, that in any event lessee shall be entitled to a credit against rent for up to the full amount of such tax by the end of the term in which such tax is levied subject to the annual limitation of one-half the basic rent heretofore set forth and subject to the prior payment of the bonds. It is understood that if such assessment is made and such taxes are imposed on the lessee's leasehold interest, the lessor will cooperate with the lessee in seeking to have such assessment rescinded and such taxes abated.

In the event that any provisions of this article are declared to be illegal under Missouri law by a court of competent jurisdiction, the other terms and provisions of this agreement shall not be affected thereby, but shall be valid and in full force and effect.

ARTICLE XII

ADVERTISING AND SIGNS

The lessee shall have the right to place advertising on the scoreboards in the baseball stadium and to receive and retain all revenues therefrom. The lessee shall have sole discretion as to the size, form and content of such scoreboard advertising.

The lessee and/or its concessionaire or concessionaires may, in the baseball stadium and on the persons of vendors or any receptacles they may carry, display advertising of any kind, including but not limited to such signs, price lists and other advertising materials calculated to inform patrons of the food, drink, articles of merchandise and/or admission tickets being offered for sale. In addition, the lessee shall have the right to display advertising in the stadium club, VIP rooms and on menus in such club and on programs, yearbooks and other printed materials sold in any part of the leased premises.

The lessee shall have the right to construct and sell advertising on "Events Announcement Signs" on the leased premises and on the 80-acre tract, the land between the leased premises and Raytown Road and other land owned by the county, which may be of such size and at such locations that the wording thereon is readable from the roads and highways bordering the leased premises. The lessee shall provide the lessor at least thirty (30) days in advance of the construction of any said "Events Announcement Signs" information concerning the location, size and type of construction for said "Events Announcement Signs" and the lessor shall have fifteen (15) days in which to approve the location, size and type of constructions which approval shall not be unreasonably withheld. The lessor shall have no right of approval of any advertising on said "Events Announcement Signs" during the term of this lease or any extension thereof.

In addition to the provisions hereinabove set forth, lessee shall have the right to place other advertising on the leased premises other than the baseball stadium subject to the written approval of the co-tenant and of the lessor.

The lessee shall have the right to receive and retain all revenues from advertising permitted by this lease and such revenues shall not be included in "gross receipts" for the computation of rent pursuant to Article VI.

ARTICLE XIII

CONFLICTS AND ARBITRATION

The lessee will, at all times during the term hereof, exert its best efforts to occupy the sports complex jointly with the co-tenant harmoniously and in a spirit of mutual cooperation. The lessee acknowledges that the physical proximity of the sports complex football and baseball stadiums, the necessity for joint usage of certain facilities of the sports complex and certain joint obligations (as more particularly defined herein) to bear costs of operation and maintenance of the sports complex require the lessee and the co-tenant to negotiate any differences which may arise and, to resolve any disputes among themselves as quickly and fairly as possible. Under no circumstances, will the lessee be entitled to withhold, delay or divert rental payments due the lessor on the grounds of a dispute with the co-tenant or a loss related to such a dispute.

In the event of a dispute between the lessee and the co-tenant which cannot be resolved by the two parties thereto after good faith efforts to discuss and negotiate with respect to the disputed issue, such dispute will be resolved by arbitration. Either of the parties desiring such arbitration shall give notice to that effect to the other party specifying in said notice the nature of the dispute and the name and address of the person designated to act as an arbitrator on behalf of the party initiating the arbitration. Within seven days after receipt of such notice the replying party shall give written notice to the initiating party of the name and address of the arbitrator to act on behalf of the replying party. Such arbitrators shall not be officers, agents or employees of the party selecting them. The two arbitrators so appointed shall within ten days after the selection of the second of the two arbitrators select a third arbitrator who shall act as chairman. This three-member board of arbitration shall meet as expeditiously as possible and both parties shall have an opportunity to present such written and oral evidence as may bear upon the matter in question and to present their arguments with respect to the dispute. Following such hearing or hearings the board of arbitration shall make its decision in writing resolving the dispute which shall be adopted by no less than two of the three members of the board of arbitration. This decision shall be binding and conclusive upon the parties to the dispute. Each party shall pay the fees and expenses of the arbitrators selected by it and the fees and expenses of the third arbitrator shall be borne equally by the parties.

ARTICLE XIV

STADIUM SECURITY

The lessee, at its expense, jointly with the co-tenant will provide such permanent security guards and night watchmen as may reasonably be necessary in order to provide the twenty-four hour per day, year-round protection and security of the sports complex and all its facilities.

In addition, the lessee will provide at its expense, such event day security personnel as are necessary and reasonable. It is understood that nothing in this agreement will relieve the county and Kansas City, Missouri, from any responsibility they may otherwise have to provide necessary law enforcement officers, at no additional cost to the lessee, for security purposes within the stadium, parking or other sports complex areas, or to provide the necessary officers required for traffic control and direction, during the times the baseball stadium is in use for events scheduled by the lessee. The lessee agrees to admit to any event free of charge but without seat assignment all officers assigned by the county and Kansas City, Missouri, to the baseball stadium for security, safety, traffic control or other purposes.

The lessor shall be under no obligation to furnish, or bear the expense of, any policemen, traffic control personnel, security personnel, night watchmen, or similar personnel required for either the twenty-four hour, year-round protection of the sports complex or for events held in the sports complex.

ARTICLE XV

INDEMNIFICATION

The lessee shall indemnify the lessor and the county against and hold them harmless from all claims, suits and judgments (and all costs and expenses in connection therewith) for death, personal injuries and property damage (except the property of the county or the lessor) as to which lessee is required under this agreement to furnish liability insurance.

The lessor shall indemnify the lessee against and hold the lessee harmless from all claims, suits and judgments (and all cost and expenses in connection therewith) for death, personal injuries and property damage to other than the county or lessee as to which lessor is required under this agreement to furnish liability insurance.

The liability of the lessee and lessor under this Article shall not be limited to the amounts of insurance specified in this lease.

ARTICLE XVI

INSURANCE

The lessor shall, throughout the term of this agreement, insure the baseball stadium structure (excluding the playing field), including any structural improvements and betterments thereto made by the lessee or at the lessee's expense which are a part of the real estate and become the property of the lessor or county at the end of the term of this agreement and all personal property of the county and the lessor contained therein against loss or damage by or from the following risks: (a) fire and lightning; (b) windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke (as such terms are defined in the form of extended coverage endorsement presently in general use in Kansas City, Missouri), and such additional risks as may at the time of the purchase or expiration of any policy purchased hereunder providing extended coverage, be covered by the broad form extended coverage endorsement then in general use in Kansas City, Missouri; (c) explosion and/or any sudden or accidental breakdown necessitating repair or replacement of such of the following equipment as may be in the stadium structure: steam boilers, steam pipes, steam engines and other steam pressure vessels and the electrical and lighting systems, including transformers and miscellaneous electrical apparatus (except that during any period when any of the equipment covered by such insurance is not in use and is shut down such insurance may be suspended with respect to such equipment not in use); (d) operation or malfunctioning of any automatic sprinkler system; (e) vandalism and malicious mischief (which may be \$1,000 deductible); and (f) war damage insurance during any period or periods when war damage insurance is obtainable from the United States Government or any of its agencies or a corporation formed by the United States Government. The lessor shall, throughout the term of this agreement insure basic annual rental to the extent of \$400.00 annually (\$480,000.00 during any renewal term) against loss from "business interruption" caused by damage to or destruction of the baseball stadium structure by perils which may be insured against as the quoted term is used in the form of business interruption endorsement in general use

in Kansas City, Missouri. To the extent the lessor actually receives payments in lieu of rentals by virtue of such business interruption coverage, the lessee will be relieved of its obligation to pay as rental an amount equal to such payments received, and the lessee will be named as an additional insured under such coverage.

The insurance policies required to be obtained by lessor under the foregoing paragraph shall each contain a provision that any right of subrogation which the insurance company may have against the lessee, its officers, agents, employees, subcontractors, concessionaires, and any joint operating company or partnership formed by the lessee and the co-tenant is waived. The lessor and the county hereby waive any claim of liability against lessee, its officers, agents, employees, subcontractors, concessionaires, and any joint operating company or partnership formed by the lessee and the co-tenant for loss, injury or damage to property which should be or is within the coverage of the foregoing insurance policies. As to any physical damage insurance carried by the lessee with respect to property owned by it and located at the sports complex, each insurance policy shall contain a provision that any right of subrogation which the insurance company may have against the lessor or the county, their respective officers, agents, employees and subcontractors, is waived. The lessee hereby waives any claim of liability against lessor, or the county for loss, injury or damage to property owned by it and located at the sports complex which is within the coverage of such insurance.

The insurance required by clauses (a), (b) and (f) of the first paragraph of this Article shall be in an amount equal to the estimated replacement cost of the stadium structure and the estimated value of the personal property therein belonging to the county and the lessor. The insurance required by clauses (c), (d) and (e) of said paragraph shall be in such reasonable amounts as the lessor may determine, but, in any event, not less than the amount or amounts necessary to avoid the application of any co-insurance provisions which would make the insured bear any part of a loss which does not exceed the face amount of the policy.

Lessee shall pay for and maintain a policy or policies, with the County and the Lessor named as insureds therein, providing the following liability insurance:

- (a) With respect to the entire term of this agreement, comprehensive general liability insurance against claims, suits and judgments against the county, the lessor and the lessee for death, personal injuries

and property damage: (i) arising out of or occurring during the operation, occupancy, maintenance or use of, or resulting from acts or omissions of the county, the lessor or the lessee and/or any employee or agent of any of them in or with respect to, the baseball stadium and its environs and areas of the sports complex used jointly by the lessee and the co-tenant, or (ii) resulting from the acts or omissions of lessee or its employees or agents, in, on or with respect to any other part of the sports complex or lessee's operations therein; provided, however, that the insurance required by this paragraph may exclude from coverage thereunder death, personal injuries and property damage which occur during any civic or charitable event provided for herein in article VIII. and which result from any act or omission of any employee or agent of the county or the lessor who, at the time of the act or omission resulting in such death, personal injury or property damage, is working in connection with such civic or charitable event sponsored by a stadium user other than the lessee.

(b) With respect to the entire term of this agreement, comprehensive general liability insurance against claim, suits and judgments against the county, the lessor or the lessee and the concessionaires of lessee for death, personal injuries and property damage: (i) arising out of or occurring during the operation, occupancy, maintenance or use of, or resulting from the acts or omissions of the county, the lessor or the lessee and any of the lessee's concessionaires and any employee or agent of any of them in, or with respect to, a stadium club and other concession facilities, or (ii) resulting from the acts or omissions of lessee and its concessionaires in, or with respect to any part of the sports complex.

(c) With respect to the entire term of this agreement, insurance against claims, suits and judgments against the county, the lessor and the lessee, or any of its concessionaires and any other stadium user for death, personal injuries and property damage arising out of the sale, handling or other distribution of food, goods or other products by lessee and/or its concessionaires (such insurance being commonly known as and hereinafter called "product liability insurance").

The insurance required by the preceding paragraph shall provide limits of liability of not less than (a) \$500,000 for injuries to or death of one

person; (b) \$10,000,000 for injuries to or death of more than one person injured or killed in any one occurrence, except that the insurance required by subparagraph (b) above may provide a limit of \$5,000,000 per occurrence and the product liability insurance required by subparagraph (c) above may provide a limit of \$3,000,000 per occurrence; and (c) \$100,000 for property damage resulting from any one occurrence with an aggregate limit of \$300,000 per annum for property damage.

The originals of every policy of insurance required by any of the foregoing provisions of this article and any and all renewals, endorsements, additions, modifications and changes thereto shall be deposited with the lessor forthwith after they have been procured and, in any event, not less than ten days before the expiration of existing policies, which such deposited policies replace or renew, except that in certificates of such insurance, issued by the insurers, together with photostatic copies of the originals or signed duplicate copies may be deposited in lieu of the originals. All such policies, duplicates or certificates shall, prior to such deposit, be marked "Premium Paid".

The lessee shall faithfully perform and comply with, subject to the provisions of this agreement, all of the terms and conditions of the policies of insurance required by the foregoing provisions of this article, except those terms and conditions which, by the terms of this agreement or the policy in question, are required to be performed or complied with by the county, or the lessor, which terms and conditions the county, and the lessor shall perform and comply with. Without limitation of the foregoing, the lessee, the county, and the lessor shall give prompt notice to the insurers and to each other of all claims covered by any of said policies. The lessee shall pay or cause to be paid the premiums on the policies to be carried by it at all times and in the amounts required to maintain in full force and effect the insurance required to be maintained hereunder, and the lessee shall not be entitled to any reimbursement by the county or the lessor for such premiums, or to any credit therefor on the rent provided for in article VI. The lessor shall require users of the baseball stadium for civic and charitable events (other than the county and the lessor itself) to procure a policy or policies of insurance, naming as insureds thereunder the county, the authority, the lessor and the lessee and their officers, directors, stockholders and employees, providing comprehensive general liability insurance (except product liability insurance) against claims, suits and judgments against said insureds for death, personal injury and property damage arising out of or occurring during the operation,

occupancy or use of or resulting from the acts or omissions of the county, the lessor, the lessee and any such other stadium user or the employees or agents of any of them in or with respect to the sports complex or any part thereof during the period of use of the sports complex or any part thereof by any such other stadium user (including in the term "period of use"), without limitation of the generality thereof, the period when the baseball stadium is being prepared for and restored after any event to be conducted by such other stadium user.

The lessee covenants to secure, and to maintain throughout the full term of this agreement air travel casualty insurance covering members of the lessee's professional baseball team, which shall provide \$500,000 catastrophic coverage in any one airplane accident in which six or more players, while flying in the course of their employment on the lessee's said team, are killed or dismembered or totally and permanently disabled, provided, however, that such players so killed, dismembered or disabled were immediately prior to such accident playing members of the lessee's said team and eligible to play in regularly scheduled major league games, or, if such accident occurred prior to the regular season, had played in regularly scheduled league games for at least three months during the prior regular season.

Such air travel casualty insurance may be covered in separate policies, or included in any similar forms of policies placed by the lessee for its own protection, but all such policies, if payable to the lessee, shall contain appropriate loss payable endorsements to the effect that the proceeds of such insurance shall to the extent and in the amount above required be payable to the lessor to be applied by it as above provided. The lessee's obligation to maintain such air travel casualty insurance may also be fulfilled by the lessee's participation in a league self-insurance plan, providing substantially the same coverage as described above and the lessee will furnish the lessor certification and description of such coverage.

The policy of insurance above referred to in this article required to be carried by lessee for the benefit of lessor, or a duplicate, or a certificate thereof satisfactory to the lessor, and all renewals thereof, shall be deposited, forthwith upon the issuance of each such policy, with the lessor.

The lessee agrees to maintain and keep in force workmen's compensation insurance on the persons employed by the lessee in or about the baseball stadium in connection with the lessee's stadium operations. Such policy shall (if and to the extent possible) name the county and the lessor as named

insureds protected thereunder. The lessee shall cause to be issued to the lessor proper certificates of insurance evidencing that the foregoing requirements as to workmen's compensation insurance have been met and providing that if the underlying insurance is cancelled or changed during the policy period, the insurance carrier will notify the lessor thirty (30) days in advance of such change or cancellation.

ARTICLE XVII

OBLIGATION TO RESTORE CASUALTY DAMAGE

If, prior to payment in full of the bonds, the leased premises shall be partially or totally damaged or destroyed by fire or other casualty, and the lessee has not exercised its option to terminate this agreement pursuant to Article XX hereof, the lessor, at its expense, shall repair the damage so as to restore the leased premises to their condition immediately prior to such fire or other casualty. The lessor shall not, however, be required to repair or replace any property, title to which is in the lessee.

In the event of any damage or destruction which the lessor is required to repair pursuant to the foregoing paragraph, the lessor shall proceed promptly with the work of repair and restoration and shall proceed diligently to completion, subject to reasonable delays due to adjustment of insurance.

Provided all of the bonds have been paid in full, during any period beginning with the occurrence of any damage or destruction by fire or other casualty which renders any part of the leased premises untenable or unusable for the purposes for which the same is designed and intended and ending upon completion of the work of repair and restoration: (a) the rent payable hereunder shall abate and be suspended and be prorated; (b) the lessee shall pay a reasonable rent for any part of the leased premises which the lessee elects to use during such period; and (c) the other obligations of the lessor and of the lessee under this agreement shall abate and be suspended to an extent appropriate in the light of the part, if any, of the leased premises being used by the lessee.

In the event the said net proceeds of insurance resulting from claims for such losses are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or acquisition, the fiscal agent shall apply to the extent required, all moneys on deposit in the repair reserve account, from whatever source, derived, for such purpose and the lessor or the lessee will proceed to complete said work.

Any balance of such net proceeds remaining after payment of all of such replacement, repair, rebuilding or restoration shall be paid into the revenue

fund and applied as a credit against any payments of basic annual rent falling due during the period of restoration if the leased premises are untenable and unusable by the lessee during such period.

Provided all of the bonds have been paid in full, if the whole or a substantial part of the leased premises shall be damaged or destroyed by fire or other casualty and such damage or destruction renders said leased premises untenable or unusable for the purposes for which the same is designed and intended, the lessee may terminate this agreement by giving the lessor notice in writing of such termination and such termination shall forthwith become effective.

ARTICLE XVIII

FORCE MAJEURE

Should any matter or condition beyond the reasonable control of either party such as, but not limited to war, public emergency or calamity, fire, earthquake, flood, act of God, strike or other disturbance, or any governmental restriction, prevent performance of this agreement in accordance with its provisions, performance of this agreement by either party shall be suspended or excused to the extent commensurate with such interfering occurrence. Provided, however, that unless all of the bonds issued under the resolution have been paid in full, the obligation of the lessee to make the rental payments provided for in article VI hereof shall not be suspended or exercised.

If, as a consequence of such force majeure, the stadium premises should be destroyed, or rendered unfit or unavailable for the purpose of this agreement, the lessee shall not be obligated to use the same (or pay any rent therefor, if all of the bonds have been paid in full) but shall have the right to play its games in any other stadium during the time such condition continues to exist; provided, however, lessee agrees to give first consideration under such circumstances to the use of other playing areas available in the county; but such use shall be in the sole discretion of lessee.

The term of this agreement or of any renewal or extension thereof (and any right of renewal provided for herein) shall be extended for an additional period of time equal to the full period that the lessee is prevented by such force majeure from using the baseball stadium.

Such extension of the period of this agreement shall be upon the same terms and conditions as prescribed by paragraph C. 1. of article I of this agreement.

Notwithstanding the foregoing provisions of this article to the contrary, if, after payment in full of the bonds, a "force majeure", as described above in the article, shall occur and, as a consequence thereof, the whole or a substantial part of the leased premises shall be rendered unfit or unavailable for the purpose of this agreement, the lessee may terminate this agreement by giving the lessor notice in writing of such termination and such termination shall forthwith become effective.

ARTICLE XIX

EMINENT DOMAIN

A. Provided all of the bonds have been paid in full, if the whole of the leased premises shall at any time during the term hereof be taken by the exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase under the threat of exercise of the power of eminent domain, the covenants of lessee to pay rent and perform other obligations hereunder shall terminate as of the date that such condemning authority acquires the right to possession of the leased premises, and the lessor and lessee shall be entitled to assert rights of recovery from the condemning authority of the market value of their respective estates in the leased premises and such other damages as each may be entitled to under the law.

B. Provided all of the bonds have been paid in full, if a part of the leased premises shall at any time during the term hereof be taken by the exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase under the threat of exercise of the power of eminent domain and such taking renders the leased premises untenable or unfit for the use contemplated herein, or substantially interferes with the use and occupancy thereof by lessee, the covenants of lessee to pay rent and perform other obligations hereunder shall terminate as of the date such condemning authority acquires the right of possession to such part of the leased premises, and lessee shall be entitled to assert rights of recovery from the condemning authority of the market value of its leasehold estate in the part taken and damages in an amount equal to the diminution in market value of its leasehold estate on the remainder of the leased premises, and lessor shall be entitled to recover from the condemning authority the market value of the part taken burdened by the leasehold estate and damages in an amount equal to the diminution of the market value of the remainder of the leased premises burdened with the leasehold estate.

C. If a part of the leased premises shall at any time during the term hereof be taken by the exercise of the power of eminent domain, whether by formal condemnation proceedings or by purchase under the threat of the power of eminent domain, and such taking does not unreasonably interfere with the use and occupancy of the leased premises by lessee for the purposes contemplated herein, the covenants of lessee to pay the basic rent heretofore provided shall continue uninterrupted, but this shall not impair lessee's right, if any, to recover damages from the condemning authority as may be allowed by law.

D. If in any condemnation proceedings, the condemnation commissioners make only one lump sum award for compensation and damages for the taking of all or any part of the leased premises, without separating the amount attributable to the market value of and damages to lessee's leasehold estate and the amount attributable to the market value of and damages to the lessor's interest in the leased premises burdened by the leasehold estate, and if lessee or lessor are unable to agree upon a division of said award, the lessee and lessor may assert in any said condemnation proceedings their respective claims as defined herein to said award; provided, however, if, because of the character or nature of the leased premises, or the special use to which they are applied, or any other reason, the concept of market value be determined not to afford lessor or lessee, or both, just compensation under the Constitution and laws of Missouri or just compensation under the Constitution and laws of the United States in a taking of all or part of the leased premises in any of the situations delineated in subparagraphs A, B and C of this article XIX then in applying the terms and provisions of said subparagraphs the measure of compensation adopted by the Courts shall be substituted for the term "market value" wherever it appears in each of said subparagraphs of this article XIX; and provided, however, that nothing herein contained shall be deemed a waiver of the rights of either lessor or lessee to except to, contest or appeal from any awards rendered in such condemnation proceedings.

E. It is understood and agreed that in the event a condemning authority, under threat of condemnation, makes an offer to purchase all or part of the leased premises, such offer shall not be accepted unless both lessee and lessor consent to accept such offer.

F. If there has been a prepayment of basic rent by the lessee or a payment of rent during a period when the lessee could not occupy the leased premises and there exists an unused time credit for such prepaid rent and if the lessee does not recover damages for such unused time credit in any condemnation proceeding, the lessor will pay to the lessee the amount for such

unused time credit which may reasonably be projected based upon sound economic and appraisal practices the lessor will have the right to make claim for the amount of such payment against the condemning authority.

Notwithstanding the foregoing provisions of this article to the contrary, if, prior to the payment in full of the bonds (or provision therefor having been made in accordance with the provisions of the resolution), the title, or the temporary use of, the leased premises or the leasehold estate of the lessee in the leased premises created by this lease or any part of either thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, and the lessee has not exercised its option, pursuant to article XX hereof, to terminate this lease, the lessee shall be obligated to make the rental and all other payments specified in article VI hereof.

ARTICLE XX

LESSEE'S OPTION TO TERMINATE

Notwithstanding the provisions in articles XVII Obligation to Restore Casualty Damage, XVIII (Force Majeure), XIX (Eminent Domain) and XXV (Default by Lessor) to the contrary, if, prior to the payment in full of the bonds, any of the following shall have occurred, the lessee shall have the right, within 60 days following any such occurrence, to terminate this lease provided the lessee shall within such 60 day period direct the lessor and the fiscal agent, in writing, to take all steps necessary to effect the redemption of 29% of the bonds then outstanding under the resolution if redeemed in the years 1970 to 1982, inclusive and 44% of the bonds then outstanding under the resolution if redeemed in the years 1983 to 1995, inclusive:

(a) The leased premises shall have been damaged or destroyed, from any cause, (1) to such extent that, in the opinion of an independent engineer approved by the lessor expressed in a certificate filed with the lessor and the fiscal agent, the leased premises cannot be reasonably restored within a period of 30 consecutive months to the condition thereof immediately preceding such damage or destruction, or (2) to such extent that, in the opinion of such independent engineer expressed in a certificate filed with the lessor and the fiscal agent, the lessee is thereby prevented from carrying on its normal operations for a period of 30 consecutive months, or (3) to such extent that the cost of the restoration thereof would exceed by \$750,000 the proceeds of insurance carried thereon pursuant to the requirements of article XVI hereof plus any additional funds of the County or the lessor available for such restoration;

(b) Title to, or the temporary use of, all or substantially all of the leased premises shall have been taken under the exercise of the power of eminent domain by any governmental authority (including such a taking or takings as results, in the opinion of an independent engineer expressed in a certificate filed with the lessor and the fiscal agent, in the lessee being thereby prevented from carrying on its normal operations therein for a period of 30 consecutive months);

(c) As a result of any changes in the Constitution of Missouri or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after contest thereof by the lessee in good faith this lease shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this agreement.

(d) The occurrence of an event of default by the lessor within the meaning of article XXV hereof.

Upon such notification to the lessor and the trustee, the lessee shall forthwith pay to the fiscal agent an amount of money which, when added to any other moneys available therefore (which shall include proceeds from all insurance coverage required herein), will be sufficient to retire and redeem 29%, if redeemed in the years 1970 to 1982, inclusive, and 44%, if redeemed in the years 1983 to 1995, inclusive, of the then outstanding bonds on the next earliest redemption date, including without limitation, all interest to accrue to said redemption date and redemption expenses, plus an amount equal to the fiscal agent's and paying agent's fees and expenses under the resolution, accrued and to accrue until final payment and redemption of the bonds.

ARTICLE XXI

LESSOR'S AND LESSEE'S REPRESENTATIONS AND WARRANTIES

During the term of this lease agreement and any extension thereof, it is hereby covenanted and agreed that:

- (1) Lessee shall maintain its membership in The American Baseball League in good standing.

(2) Lessee shall maintain a baseball team, the name and style under which lessee's baseball club or team plays or holds its games shall be selected and determined by lessee in its sole and absolute discretion.

(3) Lessee shall hold, maintain, preserve and protect in full force and effect all rights and franchises necessary for it to play American Baseball League games in the City of Kansas City and the County of Jackson in accordance with the terms and conditions of this lease agreement and conforming with the rules and regulations of the American Baseball League.

(4) Lessee shall use its best efforts within the limits of sound business judgment to insure the maximum receipts from occupancy of and attendance at the baseball stadium and the patronage of the concessions by the public, consistent with the terms of this agreement; and

(5) Lessee shall not discontinue use of any major part of the baseball stadium designed, intended or contemplated for use by stadium patrons (unless the lessor and, if any of the bonds or any additional bonds issued under the resolution are at the time outstanding, the fiscal agent's consent in writing to such discontinuance, such consents not to be unreasonably withheld).

Neither the execution and delivery of this agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms of this agreement, conflict with or result in a breach of the terms, conditions or provisions of any corporate restriction or any agreement or instrument to which the lessee is now a party or by which it is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the lessee under the terms of any instrument or agreement.

(6) Lessee represents that it is a corporation organized and existing under the laws of Missouri; that it is now in good standing under the laws of the State of Missouri and that its principal office is in Kansas City, Missouri.

(7) Lessee throughout the initial term or any renewal term will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the lessee may, without violating the agreements contained in this section, but only when necessary as an adjunct of an assignment of its American Baseball League franchise, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States of America) or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another domestic corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided, in the event the lessee is not the surviving, resulting or transferee corporation, as the case may be, the surviving, resulting or transferee Corporation, as the case may be, assumes in writing all of the obligations of the lessee herein, and provided further that the lessor and the fiscal agent approve such transaction in advance, which approval will not be unreasonably withheld.

(8) Lessor was created and exists pursuant to RSMO 1969, Sections 64.920 to 64.950, as amended.

(9) Lessor, pursuant to the County agreement, has the right and authority to lease the leased premises to the lessee, and to perform all terms, covenants, provisions and conditions of this Lease agreement to be performed by the Lessor.

(10) Lessor shall perform all terms, covenants, provisions and conditions of the County agreement and an agreement between the County and the Authority dated March 21, 1967 for the planning, designing and construction of the Sports Complex.

(11) Lessor will issue and sell the bonds and apply the proceeds thereof as contemplated in this Lease agreement and in the resolution.

ARTICLE XXII

RIGHT OF ENTRY AND INSPECTION

The lessor, the fiscal agent and their agents and representatives shall, at all reasonable times during the term hereof (but not on event days except by prior written approval of the lessee which shall not be unreasonably withheld), have the right to enter into and upon any and all parts of the sports complex for the purpose of examining the same for any legitimate reason related to the obligations of the parties to this lease.

ARTICLE XXIII

QUIET ENJOYMENT

The lessor covenants that if, and so long as, the lessee keeps and performs each and every covenant, agreement, term, provision and condition of this agreement on the part and on behalf of the lessee to be kept and performed, the lessee shall quietly enjoy its rights under this agreement with respect to the sports complex, as such rights are defined, set forth and limited by this agreement, without hindrance or molestation by the lessor or the county or by any other person lawfully claiming the same by, through or under the lessor or the county subject to the covenants, agreements, terms, provisions and conditions of this agreement.

ARTICLE XXIV

PERMITS, LAW COMPLIANCE

The lessee agrees to comply with all laws and lawful regulations applicable to its use and occupancy of the sports complex and to obtain at its own expense all necessary licenses and permits for the conduct of its operations hereunder.

ARTICLE XXV

DEFAULT BY LESSEE

A. An event of default shall be deemed to have occurred hereunder if:

1. The lessee defaults in the making of any payment of rent or of any other payment required to be made by the lessee to the lessor under this agreement on the date when such payment is due and payable and any such default continues for a period of 30 days after service of a notice of default complying with the requirements hereinafter set forth.

2. (a) The lessee defaults in the performance or observance of any other term, covenant, condition or provision of this agreement; (b) such default is of a kind which is curable or remediable; and (c) such default continues for a period of 30 days after service of a notice of default or, if the curing or remedying of such default requires the doing of work or the taking of action which cannot with due diligence be completed in a 30 day period, continues beyond such period following the end of the period of 30 days after the service of a notice of default as is reasonably necessary, taking into account unavoidable delays, to do the work required or to complete such other action as is required to cure or remedy the default in question.

3. The lessee defaults in the performance or observance of any term, covenant, condition or provision of this agreement and either (a) such default is not curable or remediable and is with respect to a substantial obligation of this agreement, the lessor cannot be made whole therefor by the collection of money damages and it is committed or permitted under such circumstances as to evidence a willful or negligent disregard by the lessee of its substantial obligations under this agreement, or (b) such default, in the light of prior defaults by the lessee, collectively establish a course of conduct of willful or negligent disregard by the lessee of its substantial obligations, under this agreement.

4. There shall be filed against the lessee (or, in the event of any assignment hereunder, then against any assignee of the lessee's rights hereunder) in any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for

reorganization (other than a reorganization not involving the liabilities of the lessee or such assignee) or for the appointment of a receiver or trustee of all or substantially all of the lessee's (or such assignee's) property and within 120 days of such filing the lessee (or such assignee) fails to secure a discharge of such petition or the dismissal of such proceedings, or the lessee (or such assignee) files a voluntary petition in bankruptcy or insolvency or for such reorganization or for the appointment of such a receiver or trustee or makes an assignment for the benefit of creditors or petitions for or enters into an arrangement.

B. Anything in this agreement to the contrary notwithstanding, no event of default shall be deemed to have occurred under this article until the expiration of 30 days after the giving of a notice of default notwithstanding the fact that the claimed default is not curable or remediable so that the lessee will have the opportunity to initiate judicial proceedings to determine whether the claimed default constitutes an event of default hereunder. In the event that the lessee in good faith commences such proceedings to contest the existence of any such default and uses reasonable diligence in prosecuting such action and complies with the final judgment of the Court in such action, then lessor shall not have any right to terminate this lease as hereinafter provided in subparagraph 4 of this article, but nothing herein shall prevent a court from granting such protective orders, injunctions and interlocutory judgments as might otherwise be appropriate.

C. Anything elsewhere in this agreement to the contrary notwithstanding, no notice by the lessor under this article (herein called a notice of default) shall be valid or effective unless it complies with the following requirements: (1) it shall be served within a reasonable time after the lessor acquires knowledge of the occurrence of the claimed default; (2) it shall specify in reasonable detail the claimed default and shall specify the article, if any, of this agreement under which the default is claimed to have occurred; (3) it shall state that if the claimed default is not cured or remedied within the applicable period, if any, specified in this article, the lessor will have the right to terminate this agreement and all rights of the lessee hereunder; and (4) for the purpose of determining the expiration date of any applicable period for the curing or remedying of such default such notice shall be deemed to have been served when served or mailed, as the case may be.

D. Within 30 days after the occurrence of any event of default, the lessor shall have the right to give the lessee notice of intention to terminate this agreement and all rights of the lessee hereunder and upon the effective date of such termination specified in such notice (which shall be not less than 30 days after the giving of such notice), the term of this agreement shall end as fully and completely as if that were the date herein fixed for the expiration of the term of this agreement and the lessee shall then quit and surrender possession of the leased premises but shall be liable as hereinafter in this article provided.

E. If the notice provided for herein has been served and the term of this agreement has ended as aforesaid, then lessor may, without further notice, reenter and repossess the leased premises with or without legal process and remove all persons and property therefrom and the lessee hereby waives any notice provided by law or otherwise to be given in connection therewith. Any and all property belonging to the lessee or to anyone claiming by, through or under the lessee which may be found in the leased premises by the lessor upon such reentry may be handled, removed or stored by the lessor at the risk and expense of the lessee and the lessor shall not be responsible for the preservation or the safekeeping thereof. The lessee shall pay to the lessor, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in the lessor's possession or under the lessor's control.

F. In the event of any termination of this agreement pursuant to this article and reentry or repossession of the leased premises, by summary proceedings or otherwise, the lessor may relet the leased premises or any part or parts thereof, either separately or in conjunction with any other space in the sports complex, to any other person or entity, and may regrant to any other person or entity any or all of the rights granted to lessee under this agreement, for such term, which may be shorter or longer than the period which would otherwise have constituted the remainder of the term of this agreement, and on such other terms, covenants and conditions including rent concessions or free rent, and may make such repairs, alterations, additions, replacements and/or decorations in and to the leased premises, which the lessor in its sole discretion, may deem advisable for the purpose of reletting the leased premises or regranting the rights granted by this agreement, all without in any way releasing lessee from liability hereunder. If the rents and

other payments (including parking revenues from parking) collected by the lessor upon any such reletting or regranting are not sufficient to pay monthly the full amount of the rent (determined as hereinafter in this paragraph provided) and all other amounts which the lessee would have been obligated to pay under this agreement but for such termination, the lessee shall pay to the lessor from time to time upon demand the amount of the deficiency. The lessor shall not be liable for failure to relet the leased premises or regrant the rights granted to lessee by this agreement or, if the leased premises are relet or such rights are regranted, for reasonable failure to collect the rent and other payments under such reletting or regranting. In determining the amount of the rent payable by the lessee under this agreement from the date of the occurrence of any event of default to the date originally fixed for the expiration of the term of this agreement, the annual minimum rent payable hereunder shall be increased for each year with respect to which such determination is being made by an amount equal to the excess, if any, of the average annual percentage rent for all full years of this agreement preceding the year in which such event of default occurs over such annual minimum rent.

G. Notwithstanding the provisions of the preceding or any other provision of this agreement, the lessor shall be entitled, at its option, to recover from the lessee as and for liquidated damages upon a termination of this agreement pursuant to this article or without such termination upon the filing of any petition referred to above, an amount equal to the value at the time of such termination of (a) the amount, if any, by which the total of the rent and all other payments required to be made by lessee hereunder for the unexpired portion of the term of this agreement exceeds the fair value of the rights granted to the lessee by this agreement for the unexpired portion of the term of this agreement and (b) the cost of performing any other covenant or provision of this agreement on the lessee's part to be performed discounted at the rate of six percent per annum from the time provided in this agreement for such performance to the date of such termination. In the computation of such damages the amount of the deficiency between any installment of rent becoming due hereunder after the date of such termination and the fair value of the rights granted by this agreement for the period for which such installment was payable shall be discounted to the date of such termination at the rate of six percent per annum.

H. In the event of a breach or a threatened breach by the lessee of any of the terms, covenants, conditions or provisions hereof, the lessor shall have

the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, including without limitation the right to money damages, as if specific remedies, indemnity or reimbursement were not herein provided for.

I. The rights and remedies given to the lessor in this agreement are distinct, separate and cumulative remedies, and no one of them, whether or not exercised by the lessor, shall be deemed to be in exclusion of any of the others herein or by law or equity provided.

J. Any amounts collected pursuant to action taken under this Section shall be paid into the revenue fund and applied in accordance with the provisions of the resolution or, if the bonds have been fully paid, to the lessor.

K. The provisions of this article shall survive the termination of this agreement.

DEFAULT BY LESSOR

L. An event of default by lessor shall be deemed to have occurred hereunder if:

1. (a) The lessor defaults in the performance or observance of any term, covenant, condition or provision of this agreement, (b) such default is of a kind which is curable or remediable; and (c) such default continues for a period of 30 days after service of a notice of default or, if the curing or remedying of such default requires the doing of work or the taking of action which cannot with due diligence be completed in a 30-day period, continues beyond such period following the end of the period of 30 days after the service of a notice of default as is reasonably necessary, taking into account unavoidable delays, to do the work required or to complete such other action as is required to cure or remedy the default in question.

2. The lessor defaults in the performance or observance of any term, covenant, condition, or provision of this agreement and either (a) such default is not curable or remediable and is with respect to a substantial obligation of this agreement the lessor cannot be made whole therefor by the collection of money damages and it is committed or permitted under such circumstances as to evidence a willful or negligent disregard by the lessee of its substantial obligations under this agreement, or (b) such default, in the light of prior defaults by the lessee, collectively establish a course of conduct of willful or negligent disregard by the lessee of its substantial obligations under this agreement.

M. Anything in this agreement to the contrary notwithstanding, no event of default shall be deemed to have occurred under this Article until the expiration of 30 days after the giving of a notice of default notwithstanding the fact that the claimed default is not curable or remediable so that the lessor will have the opportunity to initiate judicial proceedings to determine whether the claimed default constitutes an event of default hereunder. In the event that the lessor in good faith commences such proceedings to contest the existence of any such default and uses reasonable diligence in prosecuting such action and complies with the final judgment of the Court in such action, then lessee shall not have any right to terminate this lease as hereinafter provided in subparagraph N of this article, but nothing herein shall prevent a Court from granting such protective orders, injunctions and interlocutory judgments as might otherwise be appropriate.

N. Anything elsewhere in this agreement to the contrary notwithstanding, no notice by the lessee under this article (herein called a notice of default) shall be valid or effective unless it complies with the following requirements: (1) it shall be served within a reasonable time after the lessee acquires knowledge of the occurrence of the claimed default; (2) it shall specify in reasonable detail the claimed default and shall specify the article, if any, of this agreement under which the default is claimed to have occurred; (3) it shall state that if the claimed default is not cured or remedied within the applicable period, if any, specified in this article the lessee will have the right to terminate this agreement and all rights of the lessor hereunder; and (4) for the purpose of determining the expiration date of any applicable period for the curing or remedying of such default such notice shall be deemed to have been served when served or mailed, as the case may be.

O. Provided all of the bonds have been paid in full, within 30 days after the occurrence of any event of default, the lessee shall have the right to give the lessor notice of intention to terminate this agreement and all rights of the lessor hereunder and upon the effective date of such termination specified in such notice (which shall be not less than 30 days after the giving of such notice) the term of this agreement shall end as fully and completely as if that were the date herein fixed for the expiration of the term of this agreement and any obligations of the lessee to pay rent or perform any other covenant, condition, obligation or provision of this agreement shall end but lessor shall be liable as hereinafter in this article provided.

P. In the event of termination because of default of the lessor:

1. Lessee shall be entitled to remove from the leased premises any and all property belonging to the lessee or anyone claiming by, through or under the lessee which is in the leased premises as more particularly set forth in article IV (Construction to be Performed by lessee).

2. Lessor shall reimburse lessee for the cost of any and all improvements paid for by lessee in connection with the original construction on or to the leased premises and for the cost of any and all alterations, additions and improvements thereafter made by lessee on or to the leased premises less an allowance computed as follows: Such allowance shall represent a fractional portion of the initial cost and in determining such portion the fraction shall have as its numerator the number of years that have elapsed subsequent to the completion of such improvements and shall have as its denominator the number 35.

3. In addition to the foregoing, lessee shall be entitled to recover from lessor the amount of any and all damages sustained by lessee as the result of Lessor's breach of the agreement.

Q. The rights and remedies given to the lessee in this agreement are distinct, separate and cumulative remedies and no one of them, whether or not exercised by the lessee, shall be deemed to be an exclusion of any of the others or of any other rights or remedies not herein set forth that lessee may have in law or equity.

R. In the event of a breach or a threatened breach by the lessor of any of the terms, covenants, conditions or provisions hereof, the lessee shall have the right of injunction to restrain the same and the right to invoke any remedy allowed by law or in equity, including without limitation the right to money damages, as if specific remedies, indemnity or reimbursement were not herein provided for.

S. The provisions of this article shall survive the termination of this agreement.

ARTICLE XXVI

WAIVER OF PERSONAL LIABILITY

All obligations and liabilities under this agreement on the part of the lessor and on the part of lessee are solely corporate liabilities and each party hereby releases each and every incorporator, officer, agent, director and member of the other party of and from any personal or individual liability under this agreement, and no incorporator, officer, agent, director or member of the lessor or lessee shall at any time or under any circumstances be individually or personally liable under the agreement or for any action taken hereunder by the lessor or lessee or otherwise in connection therewith, or for or on account of any failure on the part of the lessor or lessee hereunder.

ARTICLE XXVII

LESSEE AN INDEPENDENT CONTRACTOR

The lessee shall be and remain an independent contractor with respect to all rights obtained and services performed under this agreement, including, by way of enumeration and not by way of limitation, the sale of tickets and merchandise of all kinds. The lessee agrees to provide for, and does hereby accept, full and exclusive liability for the payment of any and all contributions or taxes for social security, workmen's compensation insurance, unemployment insurance, or old age retirement benefits, pensions or annuities now or hereafter imposed under any state or federal laws which are measured by the wages, salaries or other remuneration paid to persons employed by the lessee for work performed relating to this agreement, and the lessee agrees to indemnify and save harmless the lessor and the county from any such contributions or taxes or from liability therefor. Nothing herein contained shall make, or be construed to make, the lessor and lessee partners of one another, nor shall this agreement be construed to create a partnership or joint venture between any of the parties hereto or referred to herein.

ARTICLE XXVIII

WAIVER, AMENDMENT

This agreement (including all plans, specifications, agreements and other documents and matters annexed hereto or made a part hereof by reference) contains all of the covenants, agreements, terms, provisions and conditions relating to the rights and obligations of the lessee and the lessor with respect to the sports complex hereunder; neither the lessee nor the lessor has made or is making, and neither the lessee nor the lessor in executing and delivering this agreement is relying upon, any warranties, representations, promises or statements by any official, agent or employee of the lessee or the lessor, except to the extent that the same may expressly be set forth in this agreement or in said plans, specifications and other documents and matters annexed to or made a part of this agreement by reference. No alteration, amendment or modification hereof shall be valid, unless executed by an instrument in writing by the parties hereto with the same formality as this agreement.

The failure of the lessor or the lessee to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this agreement or to exercise any election or option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant, agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by the lessee or the lessor of any covenant, agreement, term, provision, condition or option of this agreement shall be deemed to have been made unless expressed in writing and signed by an appropriate official on behalf of the lessor or by an officer of the lessee. Neither the payment of rent or additional rent by the lessee, nor the receipt and retention by the lessor of rent or additional rent, with knowledge of the breach of any covenant, agreement, term, provision or condition herein contained shall be deemed a waiver of such breach.

Subsequent to the issuance of bonds and any additional bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the resolution), this agreement may not be effectively amended, changed, modified, altered or terminated without the concurring written consent of the fiscal agent.

ARTICLE XXIX

ASSIGNMENT

The parties hereto agree that this lease agreement may not be assigned, transferred, mortgaged or pledged by lessee without the prior written consent of the lessor. However, an assignment or transfer of the lease, when necessary as an adjunct of an assignment or transfer of the baseball franchise itself, shall require only the approval of the American Baseball League in conformity with the League's rules and regulations appertaining thereto and shall not require consent of the lessor, and subject to each of the following conditions:

(a) No assignment shall relieve the lessee from primary liability for any of its obligations hereunder, and in the event of such assignment the lessee shall continue to remain primarily liable for payment of the amounts specified in article VI hereof and for the performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as though no assignment had been made.

(b) The assignee shall assume the obligations of the lessee hereunder to the extent of the interest assigned.

(c) The lessee shall, within thirty days after the delivery thereof, furnish or cause to be furnished to the lessor and to the fiscal agent a true and complete copy of such assignment.

The lessor may assign its interest in and pledge any moneys receivable under this agreement to the fiscal agent pursuant to the resolution as security for payment of the principal of, premium, if any, and interest on the bonds, but each such assignment and pledge shall be subject and subordinate to this agreement.

ARTICLE XXX

CONSENTS

No consent or approval by the lessor or the lessee permitted or required under the terms of this agreement shall be valid or be of any validity whatsoever unless the same shall be in writing, signed by the party by or on whose behalf such consent is executed.

ARTICLE XXXI

NOTICES

Where any provision is made in this agreement for the giving of a notice or the making of a demand, such notice or demand (hereinafter in this article collectively called a notice) shall be in writing and shall be served as provided in this article (except that if any express provision for the giving of any notice set forth elsewhere in this agreement conflicts with any provision of this article, such other express provision shall govern):

(a) Any notice to the lessor shall be deemed properly given if either: (i) sent by certified mail (return receipt requested) to Jackson County Sports Complex Authority, Jackson County Court House, 415 East 12th Street, Kansas City, Missouri, Attention Peter E. Bowers, Jr., Executive Director, and to Spencer, Fane, Britt & Browne, 1000 Power & Light Building, Kansas City, Missouri, Attention Irvin Fane, Esq., or Gad C. Smith, Esq., or at such other address as the lessor may specify at any time or from time to time by notice to the lessee, or (ii) delivered personally to Peter E. Bowers, Jr. and Irvin Fane, Gad C. Smith or to the individual regularly in charge of the office of the lessor at the sports complex. The lessor shall, upon request by the lessee, notify the lessee of the name of such individual in charge of the office at the sports complex and notices may thereafter be delivered to such individual until the lessee has been advised in writing by the lessor that some other individual is in charge of such office and authorized to receive notices.

(b) Any notice to the lessee shall be deemed properly given if either: (i) sent by certified mail (return receipt requested) to: Kansas

City Royals Baseball Corporation, 2128 Brooklyn Ave., Kansas City, Missouri 64127, Attention Mr. Ewing M. Kaufman, and Phil A. Koury, Esq., 10236 Bunker Ridge Road, Kansas City, Missouri or at such other address as the lessee may specify at any time or from time to time by notice to the lessor.

(c) Any notice to the fiscal agent shall be deemed properly given if sent by certified mail (return receipt requested) addressed to the fiscal agent at its then principal corporate trust office.

Any notice served by certified mail as hereinabove permitted: (a) for the purpose of determining whether the same was timely given, shall be deemed to have been given when delivered to the United States Post Office, and (b) for the purpose of determining the time within which any reply thereto must be made or any action taken in response thereto, shall be deemed to have been given when received. Any notice delivered personally as hereinabove in this article permitted shall, for all purposes, be deemed to have been given when so delivered.

ARTICLE XXXII

SUCCESSORS BOUND

The covenants, terms, provisions and conditions of this agreement shall be binding upon and inure to the benefit of the lessor and the lessee and their respective successors and, to the extent permitted herein, assigns.

ARTICLE XXXIII

MISSOURI LAW

This agreement is made, and shall be construed, under the laws of the State of Missouri.

ARTICLE XXXIV

CAPTIONS AND HEADINGS

The captions and headings throughout this agreement are for convenience and reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or add to the interpretation, construction or meaning of any provision of this agreement or the scope or intent thereof, nor in any way affect this agreement.

ARTICLE XXXV

MISCELLANEOUS

Severability—In the event any provisions of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provisions hereof.

Amounts Remaining in Funds or Accounts—It is agreed by the parties hereto that any amounts remaining in any of the funds or accounts created under the resolution upon expiration or sooner termination of the initial term, as provided in this agreement, after payment in full of the bonds (or any provision thereof having been made in accordance with the provisions of the resolution) and the fees, charges and expenses of the fiscal agent, paying agents or lessor in accordance with the resolution shall be disposed of in the manner provided for in the resolution.

Execution of Counterparts—This agreement must be simultaneously executed in several counterparts, each of which should be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the lessor and the lessee have caused this agreement to be executed in its respective corporate names and its respective corporate seals signed and attested by the duly authorized officers, all as of the date first above written.

JACKSON COUNTY
SPORTS COMPLEX AUTHORITY

[SEAL]

By

Chairman

Attest:

Secretary

KANSAS CITY ROYALS
BASEBALL CORPORATION

[SEAL]

By

Attest:

RENT SCHEDULE

KANSAS CITY ROYALS BASEBALL CORPORATION

\$400,000 per year payable \$100,000 on the first day of April, June, August and October, from 1972 to and including 1995, except if the baseball stadium is not available in 1972 the minimum payments are \$105,000 on April 1, \$25,000 each June 1, August 1, and October 1 in that year only.

COUNTY CONSENT AND AGREEMENT

In order to induce the lessee named above to enter into the foregoing lease agreement and as additional consideration therefore the County consents, represents, warrants and agrees as follows:

1. The county hereby consents to and approves of the foregoing Lease Agreement ("the lease") and agrees that:

A. The lessor has the right under the county agreement to enter into the lease upon the terms, covenants, provisions and conditions therein contained and for the duration thereof with respect to the rights, easements and interests in the premises granted to the lessee therein and to grant to the lessee such rights, easements and interests.

B. No act which the lessor or the lessee are required or permitted to do under the terms of the lease shall constitute a default under the county agreement.

C. The county accepts the obligations imposed upon it in the lease and agrees to fulfill such obligations as an inducement to the lessee to enter into the lease, and the county recognizes that the lessee shall only be required to perform the obligations imposed upon it by the lease.

2. If the lessee shall perform the obligations under the lease on its part to be performed, the county further covenants and agrees that:

A. The lessee shall have and enjoy during the term of the lease and any extensions thereof quiet and undisturbed possession of the rights, easements and interests in the premises granted to the lessee therein and the lessee's possession thereof under the lease shall not be adversely affected in any way by reason of any default by the lessor under the county agreement in performing any of the lessor's obligations thereunder, or by reason of any action taken by the county with respect to any default of the lessor under the county agreement;

B. Nor shall the lessee's possession thereof under the lease be adversely affected in any way by reason of any default by the co-tenant under the co-tenant's lease, or by reason of any action taken by the lessor as lessor with respect to any default of the co-tenant under the co-tenant's lease.

C. In the event of termination or cancellation of the county agreement, the possession by the lessee of the rights, easements

and interests in the premises granted to the lessee under the lease will be fully recognized and protected by the county and the county will assume and perform all of the obligations set forth in the lease on the part of the lessor thereunder with the same force and effect as if the county was originally named as lessor in the lease, and the lessee will attorn as tenant to the county and the county will accept such attornment.

3. The county covenants and warrants that it has good fee simple title to the entire premises free and clear of all leases and tenancies, liens and encumbrances, except the county agreement.

4. The county covenants and warrants that it possesses all the right, title and interest set forth in the county agreement and that the county agreement is in full force and effect and that the county will comply with all terms, provisions, covenants and obligations of the county agreement.

5. The foregoing provisions of this Agreement shall be deemed to be covenants running with the land and shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors in interest and assigns as the case may be.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be duly executed and sealed the day and year first above written.

JACKSON COUNTY

[SEAL]

By

Attest:

JACKSON COUNTY
SPORTS COMPLEX AUTHORITY

[SEAL]

By

Attest:

Secretary

KANSAS CITY ROYALS
BASEBALL CORPORATION

[SEAL]

By

Attest:


Secretary

JACKSON COUNTY SPORTS COMPLEX AUTHORITY

Secretary's Certificate

The undersigned, Frank J. Haugh, Jr., certifies that he is the duly appointed and acting Secretary of Jackson County Sports Complex Authority, a body corporate and politic and a political subdivision of the State of Missouri; that he is the keeper of such Authority's official and corporate records and seal; and that the November 1, 1970, Lease Agreement attached hereto is a true and complete copy of such Lease Agreement between Jackson County Sports Complex Authority and the Kansas City Royals Baseball Corporation referred to in a resolution adopted by a majority of the members of such Authority at a meeting duly called and held in Kansas City, Missouri, on November 24, 1970, at which a quorum was present, which Lease Agreement was ratified and approved at such meeting.

IN WITNESS WHEREOF, this certificate has been executed and the corporation's seal affixed hereto on the 30th day of November, 1970.


Frank J. Haugh, Jr.
Secretary, Jackson County
Sports Complex Authority