

LEASE AGREEMENT

DISTRICT OF COLUMBIA SPORTS AND ENTERTAINMENT COMMISSION

and

BASEBALL EXPOS, L.P.

Dated as of December February, 2005~~2006~~

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS.....	1
ARTICLE 2 LEASE OF LEASED PREMISES.....	13
2.1. Lease	13
2.2. Title; Negative Lien Covenant.....	14
2.3. Permitted Uses	14
2.4. Quiet Enjoyment	15
2.5. Allocation of Stadium Revenues	15
2.6. Release of Property and Granting of Easements.....	15
2.7. Separate Property.....	15
ARTICLE 3 TERM.....	16
3.1. Term of Agreement.....	16
3.2. Commencement Date.....	16
3.3. Extension Terms	17
3.4. Early Termination	17
3.5. Return of Leased Premises.....	18
3.6. Removal of Separate Property	18
3.7. Holding Over	18
3.8. Early Partial Occupancy	19
3.9. Construction Administration Agreement.....	19
ARTICLE 4 RENT	21
4.1. Basic Rent	21
4.2. Additional Rent.....	22
4.3. Conditions to Obligation to Pay Rent.....	23
4.4. Manner of Payment.....	23
4.5. Collateral for Rent.....	23
4.6. Rent Reserve Account.....	23
ARTICLE 5 MANAGEMENT OF LEASED PREMISES	25 <u>24</u>
5.1. Management of Operations.....	25 <u>24</u>
5.2. Maintenance and Repairs	26 <u>25</u>
5.3. Utilities and Other Services	26 <u>25</u>
5.4. Traffic and Security	27 <u>25</u>
5.5. ADA Seating.....	27 <u>26</u>
5.6. Parking	27 <u>26</u>
ARTICLE 6 CAPITAL IMPROVEMENTS	29 <u>28</u>
6.1. Capital Improvements.....	29 <u>28</u>
6.2. Capital Improvement Plan.	30 <u>28</u>
6.3. Costs of Capital Improvements.....	30 <u>29</u>
6.4. Capital Reserve Fund.....	31 <u>29</u>
6.5. Contingency Reserve Fund	32 <u>30</u>
6.6. Commission Additions.....	32 <u>31</u>

6.7.	Team Contribution	<u>3332</u>
ARTICLE 7 TAXES		<u>3332</u>
7.1.	Property Taxes	<u>3332</u>
7.2.	Targeted Taxes	<u>3433</u>
7.3.	Payment of Certain Taxes	<u>3433</u>
ARTICLE 8 RIGHTS OF COMMISSION		<u>3433</u>
8.1.	License of Space	<u>3433</u>
8.2.	Commission Evcnts	<u>3533</u>
8.3.	Commission's Promotional and Revenue Rights	<u>3735</u>
8.4.	Tickets for Commission	<u>3736</u>
8.5.	Community Benefit Obligations	<u>3836</u>
8.6.	Payment for Change in Control	<u>3938</u>
8.7.	Commission's Audit Right	<u>3938</u>
8.8.	Inspection and Entry Rights	<u>3938</u>
8.9.	Commission Regulations	<u>4139</u>
ARTICLE 9 PROMOTIONAL RIGHTS		<u>4140</u>
9.1.	Promotional Rights	<u>4140</u>
9.2.	Team's Promotional Rights	<u>4241</u>
9.3.	Proprietary Indicia	<u>4241</u>
9.4.	Content Limitations	<u>4341</u>
9.5.	Commission Logo	<u>4342</u>
9.6.	Team Name	<u>4342</u>
9.7.	Hall of Fame Acknowledgment	<u>4342</u>
ARTICLE 10 [ARTICLE 10 IS INTENTIONALLY OMITTED.]		<u>4342</u>
ARTICLE 11 INSURANCE		<u>4342</u>
11.1.	Waiver of Subrogation	<u>4342</u>
11.2.	Team's Insurance	<u>4443</u>
11.3.	Commission's Insurance	<u>4544</u>
11.4.	Indemnification by the Commission	<u>4645</u>
11.5.	Indemnification by the Team	<u>4746</u>
11.6.	Indemnification Procedures	<u>4746</u>
ARTICLE 12 CASUALTY		<u>4948</u>
12.1.	Damage or Destruction by Casualty	<u>4948</u>
12.2.	Abatement of Basic Rent	<u>4948</u>
ARTICLE 13 EMINENT DOMAIN		<u>5049</u>
13.1.	Total Condemnation	<u>5049</u>
13.2.	Partial Condemnation	<u>5049</u>
13.3.	Allocation of Award	<u>5049</u>
13.4.	Temporary Taking	<u>5049</u>

ARTICLE 14 ASSIGNMENTS AND MORTGAGES	5150
14.1. Assignments and Mortgages by the Team	5150
14.2. Assignments and Mortgages by the Commission	5251
ARTICLE 15 REPRESENTATIONS AND WARRANTIES	5352
15.1. Representations of the Commission	5352
15.2. Representations of the Team	5453
ARTICLE 16 DEFAULTS AND REMEDIES	5554
16.1. Team Default	5554
16.2. Commission Default	5857
16.3. Default by District Government	5958
16.4. Concerning Remedies	5958
16.5. Intramural Disputes	5958
16.6. Mediation	6059
16.7. Arbitration	6059
16.8. Interest on Defaulted Amounts	6059
ARTICLE 17 SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT	6160
17.1. Subordination	6160
17.2. Non-Disturbance	6160
17.3. Attornment	6261
17.4. Estoppel Certificates	6261
ARTICLE 18 GENERAL PROVISIONS	6261
18.1. Entire Agreement	6261
18.2. Amendments	6362
18.3. Choice of Law	6362
18.4. Severability	6362
18.5. No Implied Waivers	6362
18.6. Successors and Assigns	6362
18.7. Interpretations	6463
18.8. Notices	6564
18.9. Third Party Beneficiaries	6564
18.10. Time of the Essence	6564
18.11. Force Majeure	6564
18.12. Counterparts	6564
18.13. Good Faith and Fair Dealing	6564
18.14. Non-Discrimination	6665
18.15. Survival	6665
18.16. Waiver of Jury Trial	6665
18.17. Baseball Stadium Agreement	6665
18.18. Baseball Rules and Regulations	6766
18.19. Waiver of Sovereign Immunity	6766
18.20. Anti Deficiency Limitations	6766
18.21. No Merger of Estates	6766
18.22. No Joint Venture	6766

18.23. Contemporaneous Documents	<u>6766</u>
18.24. Persons Authorized to Act for Parties	<u>6867</u>

EXHIBITS

Exhibit A	Baseball Stadium Site Description
Exhibit B	Rental/Promotion Agreement
Exhibit C	Subordination, Non-disturbance and Attornment Agreement

LEASE AGREEMENT

THIS LEASE AGREEMENT is entered into as of _____, ~~2005, 2006,~~
by and between the District of Columbia Sports and Entertainment Commission (the
"Commission") and Baseball Expos, L.P. (the "Team").

RECITALS:

A. This Agreement is the "Lease" contemplated by the Baseball Stadium Agreement identified in Article 1.

B. The Commission was authorized to enter this Agreement by resolution of its governing body adopted on _____, 2005.

C. The Team was authorized to enter into this Agreement by resolution of the Board of Directors of its general partner adopted on _____, 2005.

D. The Government of the District of Columbia (the "District Government") is in the process of acquiring and conveying to the Anacostia Waterfront Corporation ("AWC") the Baseball Stadium Site (identified in Article 1) for use by the Commission pursuant to the Act (identified in Article 1) to satisfy the Commission's responsibilities under this Agreement. AWC shall lease the Baseball Stadium Site to the District Government under the Ground Lease (identified in Article 1), and the District Government, in turn, shall sublease the Baseball Stadium Site and lease the Baseball Stadium Complex to the Commission under the Ground Sublease (identified in Article 1).

E. The District Government approved this Agreement by resolution of its City Council adopted on _____.

NOW, THEREFORE, in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Commission and the Team agree as follows:

ARTICLE 1

DEFINITIONS

In this Agreement and the recitals:

"Access Rights" means the right of the Team to have such service vehicle and fan access to the Leased Premises as is reasonably necessary or customary for the Permitted Uses.

"Act" means the Ballpark Omnibus Financing and Revenue Act of 2004, passed on reconsideration on December 21, 2004 (re-enrolled version of Bill 15-1028), as amended from time to time.

"ADA Seating" means seating requirements in the Baseball Stadium required under the Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.* and any Applicable Laws with respect to the same subject matter, including, without limitation, any alterations required thereunder for the purposes of "public accommodations" (as that term is used in such Act), each as amended from time to time.

"Additional Rent" means the additional rent, if any, payable pursuant to Section 4.2.

"Affiliate" means any entity controlling, controlled by, or under common control with the Team.

"Agreement" means this Lease Agreement, as amended from time to time.

"All-Star Game" means any professional baseball game scheduled and played at the Baseball Stadium between teams composed of players selected from a variety of Major League Baseball clubs and which is required or permitted to be played by Major League Baseball.

"Applicable Laws" means any law (including common law), code, ordinance, regulation, rule, statute, order, standard, permit, license, requirement (including consent decrees, judicial decisions, settlements, judgments and orders), or charter or constitutional provision duly adopted or enacted by any Governmental Authority. In any case where the Commission is the Governmental Authority, Applicable Laws do not, for purposes of this Agreement, include any rules or regulations promulgated by the Commission that are more stringent on the Team than the provisions of this Agreement.

"Arbitration" means the dispute resolution process described in Section 16.7.

"Authorized Senior Mortgagee" means a mortgagee, secured party or other assignee under a Mortgage with respect to which a Subordination Non-Disturbance and Attornment Agreement is in place in compliance with Article 17.

"A/V Facilities" means the scoreboards, matrix boards, sound and public address systems, in-stadium television monitors and any and all other publicly audible or visible information or communication systems in the Baseball Stadium.

"AWC" means Anacostia Waterfront Corporation, and its successors and assigns.

"Ballpark Revenue Fund" means the fund created and maintained pursuant to Section 102 of the Act.

"Baseball Events" means the playing of Baseball Home Games and conducting activities relating thereto, including, but not limited to, training, practices, baseball exhibitions, All-Star Games, maintenance and preparation of the Baseball Stadium Complex to suit such purposes, advertising and marketing of games, ticket sales, press conferences, media events, and any and all other activities which, from time to time, are associated with, or are conducted in

connection with, or are related to, the conduct of the baseball related business of a Major League Baseball franchise.

"Baseball Home Games" means each of the Team's scheduled or rescheduled Major League Baseball playing dates in which the Team is designated as the home team.

"Baseball Rules and Regulations" means, collectively, the Major League Constitution, the Major League Rules, and any other agreements, rules, guidelines, regulations, or requirements of the Office of the Commissioner of Baseball, the Commissioner, the Ownership Committee of Baseball, or any other person appointed by the foregoing that are generally applicable to all Major League Baseball clubs, as applicable, including, without limitation, the Interactive Media Rights Agreement, and each agency agreement and operating guidelines among Major League Baseball clubs and an MLB entity, all as the same now exist or may be amended or adopted in the future.

"Baseball Stadium" means a first class, open air baseball stadium to be constructed on the Baseball Stadium Site, having a natural grass playing field, a capacity of approximately, but not fewer than, 41,000 seats, including approximately, but not fewer than, 3,800 club seats, approximately, but not fewer than, 68 private suites, 10 party suites, and market-appropriate concession, entertainment and retail areas, fixtures, furnishings, equipment, features and amenities on par with comparable ballparks recently (in relation to the date of this Agreement) built in Cincinnati, Detroit, Philadelphia, Pittsburgh, San Diego and San Francisco.

"Baseball Stadium Agreement" means the Baseball Stadium Agreement, dated September 29, 2004, as clarified by the letters dated December 14, 2004 and December 20, 2004 from the Team to the Chairman of the Commission, and as amended from time to time, by and among the District Government, the Commission and the Team.

"Baseball Stadium Complex" means the complex composed of (i) the Baseball Stadium, (ii) the Infrastructure, (iii) facilities constructed on the Baseball Stadium Site as part of or physically connected to the Baseball Stadium, (iv) the Parking Facilities, and (v) facilities and improvements on the Baseball Stadium Site providing for Access Rights; provided, however, that the term Baseball Stadium Complex shall not include any Commission Additions or Separate Property.

"Baseball Stadium Site" means the area of land described in Exhibit A as the site for the Baseball Stadium Complex.

"Basic Rent" means the rent payable pursuant to Section 4.1.

"Bond Indenture" means the trust indenture pursuant to which the Series A Stadium Revenue Bonds are issued.

"Business Days" means Monday through Friday, inclusive, other than (i) holidays recognized by the District Government or the federal government and (ii) days on which the District Government or federal government closes for business as a result of severe inclement weather or a declared national emergency which is given legal effect in the District of Columbia. If any item must be accomplished or delivered under this Agreement on a day that is not a

Business Day, then it shall be deemed to have been timely accomplished or delivered if accomplished or delivered on the next following Business Day. Any time period that ends on other than a Business Day shall be deemed to have been extended to the next Business Day.

"Calendar Year" means a January 1 through December 31 calendar year period.

"Capital Improvements" means capital improvements to the Leased Premises other than Commission Additions and Maintenance and Repairs.

"Capital Reserve Fund" means the fund described in Section 6.4.

"Charity Exhibition Games" means Exhibition Games with respect to which the Team donates 100% of its net income generated therefrom to the Team Foundation or such other charitable organization approved by the Commission from time to time.

"Commencement Date" has the meaning given in Section 3.2.

"Commission" means the District of Columbia Sports and Entertainment Commission, and its successors and authorized assigns under this Agreement.

"Commission Addition Rights" means the Commission's development rights associated with the "Separate Development Area" designated in the Construction Administration Agreement.

"Commission Additions" means buildings and improvements other than the Baseball Stadium Complex that result from development undertaken by the Commission (or its assignee) in the exercise of Development Rights pursuant to Section 5.5 of the Construction Administration Agreement or Section 6.6 of this Agreement.

"Commission Default" has the meaning given in Section 16.2.

"Commission Events" means usage of the Leased Premises by the Commission in accordance with Section 8.2.

"Commission Indemnitees" means (i) all of the Commission's directors, officers, employees, agents, licensees, independent contractors and consultants and (ii) the District Government and all of its directors, officers, employees, agents, licensees, independent contractors and consultants.

"Commission's Suites" means two 12-seat Suites at locations in the Baseball Stadium determined by agreement of the Parties.

"Construction Administration Agreement" means the Construction Administration Agreement, dated as of the date of this Agreement, as amended from time to time, among the District Government, the Commission and the Team.

"Contamination" means the presence, release or threat of release of Hazardous Materials in, on, under or emanating to or from the Baseball Stadium Complex, which pursuant

to Environmental Laws requires notification or reporting to any Governmental Authority, or which pursuant to Environmental Laws requires the identification, investigation, cleanup, removal, remediation, containment, control, abatement, monitoring of or other response action to such Hazardous Materials or which otherwise constitutes a violation of Environmental Laws.

"Contingency Reserve Fund" means the fund described in Section 6.5.

"Control Interest" has the meaning given to the term in Baseball Rules and Regulations.

"Default Interest Rate" means 400 basis points in excess of the prime rate as such rate changes from time to time. The prime rate shall be, as reported in The Wall Street Journal, the base rate posted by 75% of the nation's largest banks or such other rate as The Wall Street Journal may use to report a prime rate. If the prime rate is not determinable in that manner, it shall be the reference rate used from time to time by the largest member bank of the Federal Reserve System for purposes of determining the interest rate on loans to its corporate customers.

"Development Rights" means the combination of: (i) air rights; (ii) surface rights; (iii) subterranean rights; (iv) other rights such as, but not limited to easements, entitlements, appurtenances, rights-of-way, rights of entry, tenements, and hereditaments incident to the rights described in clauses (i), (ii) or (iii); (v) transferable density and other zoning rights, either as a transmitter or a recipient; (vi) any licenses, permits, authorizations or approvals that are assignable rights of the Commission under the Ground Lease; and (vii) all rights with respect to closure, opening, or other usage, temporary or otherwise of all roads, streets, alleys and ways, public and private, appurtenant to the Baseball Stadium Site or improvements located thereon, all as may be in, on, above, below, or appurtenant to the Baseball Stadium Site.

"Discretionary Improvements" means all Capital Improvements other than Necessary Improvements and Upgrade Improvements.

"District Government" means the District of Columbia or the Government of the District of Columbia, and its successors and authorized assigns under this Agreement.

"District Government Guaranty" means that certain District Guaranty, dated as of _____, 2005, the date of this Agreement, in respect of this Agreement from the District Government in favor of the Team.

"Emergency Capital Repair" means a Capital Improvement that is of such an immediate nature that the Capital Improvement must be commenced prior to the Team's obtaining the Commission's prior consent and is necessary in the reasonable discretion of the Team to be performed by the Team in order (i) to prevent immediate injury to Persons or material damage to property; (ii) to protect the health or safety of the public or any employee, agent, contractor, subcontractor, licensee, concessionaire, or subtenant of the Team or the Commission; (iii) that, if performed promptly can in the Team's judgment, avoid material cost to the Commission or the Team to keep the Baseball Stadium Complex open and available to the

Team for Permitted Uses; or (iv) to enable the Baseball Stadium Complex to function properly in compliance with Applicable Laws in all material respects.

"Environmental Laws" means all Applicable Laws enacted, adopted or issued by or entered into with a Governmental Authority pertaining or relating to: (i) pollution or pollution control; (ii) protection of human health or the environment; (iii) the presence, use, management, generation, processing, treatment, recycling, transport, storage, collection, disposal or release or threat of release of Contamination; (iv) the presence of Hazardous Materials; and (v) the protection of endangered or threatened species.

"Exhibition Games" means Major League Baseball games, other than All-Star Games and Post-Season Games, the results of which are not taken into account for purposes of determining eligibility for Post Season Games.

"Expiration Date" has the meaning given in Section 3.1.

"Extension Terms" has the meaning given in Section 3.3.

"First Street Retail Space" has the meaning given in the Construction Administration Agreement.

"Force Majeure" means Acts of God; accidents; fire or other casualty; earthquake; hurricanes; tornadoes; flood; war; riot; act of terrorism; intervention by civil or military authorities of government; insurrection or other civil commotion; governmental action; decree; terror code level or other public safety indicator that indicates a significant threat to public safety; strikes; lock-outs; boycotts or labor disputes; or any other similar or like event or occurrence beyond the reasonable control of any Party that causes the Party to be delayed or hindered in, or prevented from, the performance of any covenant or obligation under this Agreement.

"Franchise" means the Major League Baseball franchise known on the date of this Agreement as the Washington Nationals.

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

"Ground Lease" means the Ground Lease, dated _____, _____, pertaining to the Baseball Stadium Site from AWC to the District Government, as amended from time to time with the written consent of the Team.

"Ground Sublease" means the Sublease, dated _____, _____, pertaining to the Baseball Stadium Site and the Baseball Stadium Complex from the District Government to the Commission, as amended from time to time with the written consent of the Team.

"Hazardous Materials" means any substance or material: (i) the presence or suspected presence of which requires or may require investigation, response, clean-up, remediation, or monitoring, or may result in liability, under any law, legal requirement, or order;

or (ii) that is or contains any substance, material or waste, regardless of its form or nature, defined under Environmental Laws as a "hazardous substance," "hazardous waste," "toxic substance," "extremely hazardous substance," "toxic chemical," "toxic waste," "solid waste," "industrial waste," "residual waste," "municipal waste," "special handling waste," "mixed waste," "infectious waste," "chemo-therapeutic waste", medical waste", "regulated substance," "pollutant" or "contaminant" or any other substance, material or waste, regardless of its form or nature, which otherwise is defined, listed, identified under or described in any Environmental Law; or (iii) which is flammable, explosive, radioactive, reactive, toxic, corrosive, infectious, carcinogenic, mutagenic, or otherwise hazardous, or is or becomes regulated under any Environmental Law; or (iv) which is or contains asbestos (whether friable or non-friable), any polychlorinated biphenyls or compounds or equipment containing polychlorinated biphenyls, or medical waste; or (v) the presence of which on, under, or about the Baseball Stadium Site or other properties could constitute a trespass or form the basis for any other cause of action, common law or otherwise; or (vi) without limitation, which is or contains or once contained gasoline, diesel fuel, oil, diesel and gasoline range organics (TPH-DRO / GRO), or any other petroleum products or petroleum hydrocarbons, or additives to petroleum products, or any breakdown products or compounds of any of the foregoing; or (vii) without limitation, radon gas.

"Infrastructure" means the facilities and improvements constructed and installed as "Infrastructure" in accordance with the Construction Administration Agreement.

"Lease Year" means each twelve month period from and including March 1 of a given year through and including the last day of February in the following year; provided that (i) the first Lease Year shall commence as provided in Section 3.1 and may be more or less than a twelve month period; and (ii) the last Lease Year may be less than a twelve month period in the event of a termination pursuant to Section 3.4.

"Leased Premises" means the Baseball Stadium Site and all buildings, structures, improvements and fixtures now located or hereafter constructed thereon, including the Baseball Stadium Complex; provided, however, that the Leased Premises shall not include the Development Rights, any Commission Additions or Separate Property.

"Litigable Matters" means any and all claims, demands or other actions by a Party seeking declaratory, injunctive, specific performance or other equitable relief in respect of the performance, breach, or interpretation of any provision of this Agreement.

"Maintenance and Repairs" means work, labor and materials of a routine, regular or preventative nature that are reasonably required in the ordinary course of business to be performed and used to: (i) maintain the Leased Premises in good, clean working order as a first class sports facility; (ii) maintain the Leased Premises in compliance with all Applicable Laws and Baseball Rules and Regulations; (iii) maintain all equipment, machinery, systems and fixtures included in the Leased Premises in compliance with all stipulated maintenance in the applicable operating manuals; (iv) repair or restore components of the Leased Premises and Separate Property as a result of ordinary wear and tear, damage or destruction, including periodic painting and application of protective coatings; (v) perform groundskeeping and maintenance of the Stadium Field in accordance with Baseball Rules and Regulations; (vi) replace, at the end of

their economic life cycle, those components of the Leased Premises whose reasonably expected economic life at the time of original installation was two years or less; and (vii) repair damage and correct conditions caused by Team's Misuse.

"Major League Baseball" means, collectively, the Office of the Commissioner of Baseball, the Commissioner of Baseball, the Major League Baseball clubs, Major League Baseball Enterprises, Inc., Major League Baseball Properties, Inc., Major League Baseball Properties Canada, Inc., Major League Baseball Productions, MLB Advanced Media, Inc., MLB Advanced Media, L.P., MLB Media Holdings, L.P., MLB Media Holdings, Inc., MLB Online Services, Inc., each of their respective present and future affiliates, assigns and successors, and any other entity owned equally by the Major League Baseball clubs.

"Mechanics Lien" means a statutory lien securing payment of money for work done or materials provided in connection with the Leased Premises by a mechanic, materialman, laborer, supplier or vendor.

"Mediation" means the mediation process described in Section 16.6.

"Mortgage" means the Bond Indenture and any mortgage, lease, deed of trust, security agreement, or other title retention agreement creating any lien or encumbrance on any interest in all or any portion of the Leased Premises.

"MLB Entities" means (i) the Office of the Commissioner of Baseball, the American and National Leagues of Professional Baseball Clubs (to the extent of any continuing applicability), Major League Baseball Enterprises, Inc., Major League Baseball Properties, Inc., Major League Baseball Properties Canada Inc., MLB Media Holdings, Inc., MLB Media Holdings, L.P., MLB Advanced Media, Inc. and MLB Advanced Media, L.P., (ii) any of their respective present or future Affiliates, and (iii) any of their respective present or future assigns or successors that are owned in substantial part and/or controlled directly or indirectly, by the Major League Baseball Clubs.

"MLB Debt Service Rule" shall mean the provisions of Attachment 22 to the Basic Agreement Between the 30 Major League Clubs and the Major League Baseball Players Association, effective September 30, 2002, as amended from time to time.

"Necessary Improvements" means Capital Improvements that are required (i) by Applicable Laws; (ii) in order to obtain insurance at commercially reasonable rates; (iii) to keep the Stadium Field, lighting and fire and life safety features of the Baseball Stadium Complex in compliance with Baseball Rules and Regulations; or (iv) other than Maintenance and Repairs, to replace components of the Leased Premises at the end of their economic life cycle with reasonably comparable and appropriate substitutes. Capital Improvements necessitated by the Team's violation of this Agreement are not Necessary Improvements.

"Non-Relocation Agreement" means that certain Non-Relocation Agreement, dated the date of this Agreement, between the Team and the Commission.

"Parking Facilities" means all above or below ground structured parking facilities located on the Baseball Stadium Site.

"Parties" means the Commission and the Team.

"Permitted Encumbrances" means (i) the Ground Lease; (ii) the Ground Sublease; (iii) this Agreement; (iv) Mechanics Liens securing payments which are not due and payable or have been due for less than 90 days or which are being contested in good faith and by appropriate legal proceeding; (v) easements, rights-of-way, restrictions and other minor defects in title which do not individually or in the aggregate materially impair the value or use of the Leased Premises for the Permitted Uses; (vi) zoning, building and similar restrictions imposed by Applicable Laws; (vii) easements, rights-of-way, restrictions, covenants and other encumbrances of public record on the date of this Agreement; (viii) statutory liens for utility charges which are not yet due and payable; and (ix) Permitted Mortgages.

"Permitted Investments" means (i) direct obligations of the United States of America or an agency or instrumentality thereof; (ii) any investment permitted by the Bond Indenture for the investment of the original proceeds of the Series A-1 Stadium Revenue Bonds; and (iii) investment agreements with a banking corporation that has (or its parent corporation has) an unsecured, uninsured and unguaranteed obligation rated in at least the second highest rating category of either Moody's Investors Services Inc. or Standard & Poor's Ratings Services (without regard to increments or intermediate ratings, e.g., pluses or minuses).

"Permitted Mortgage" means (i) any Mortgage granted by the Commission, the District Government, AWC or their respective successors in interest with respect to which a Subordination, Non-Disturbance and Attornment Agreement is executed and delivered in compliance with Article 17; and (ii) any Mortgage granted by Team in compliance with the Non-Relocation Agreement.

"Permitted Uses" means the uses of the Leased Premises by the Team that are permitted under Section 2.3.

"Person" means an individual, partnership, corporation (including a business trust), joint stock company, trust, unincorporated association, joint venture or any other entity, the United States, or a federal, state or political subdivision thereof or any agency or court of such state or subdivision.

"Post Season Games" means any Baseball Home Game during a Season played after the conclusion of the Regular Season to determine which teams will play in the World Series and including World Series games.

"Promotional Rights" has the meaning given in Section 9.1.

"Proprietary Indicia" means all trademarks, service marks, trade names, trade dress, domain names, symbols, logos or brand names, together with any other copyrighted or copyrightable properties, in any format now known or later developed, that are or become owned or controlled by the Team or its Affiliates or an MLB Entity, which are or become commercially identified or associated with the Team or its Affiliates or an MLB Entity, or are now or hereafter licensed by or to the Team or its Affiliates or an MLB Entity.

"RFK License" means the Interim License and Operating Agreement, dated as of April 1, 2005, as amended from time to time, between the Team and the Commission.

"Regular Season" means the portions of the Season, excluding Exhibition Games and All-Star Games, for which Baseball Home Games are scheduled at the outset of the Season.

"Rent" means the Basic Rent and the Additional Rent.

~~"Rent Reserve Account"~~ ~~means the account established pursuant to Section 4.6.~~

"Rental/Promotion Agreement" means the standard form of agreement governing Special Events which contains the material terms and is initially substantially in the form of Exhibit B, which standard form of agreement may not be materially revised without the prior written consent of the Commission. The term "materially revised" means revisions which are less restrictive to a licensee/promoter than those set forth in Exhibit B relating to the requirements for maintenance, indemnification, insurance, compliance with Applicable Laws, and security.

"Reserved Team Spaces" means the portions of the Baseball Stadium Complex used for: business offices; baseball operations offices; home team, visiting team and umpires' locker rooms; team store; locked storage; and property subleased or licensed by the Team to third parties, including Suites other than the Commission's Suites.

"Season" refers to the period from the first Baseball Home Game in the Baseball Stadium (including Exhibition Games) in a Calendar Year to the last scheduled Baseball Home Game in the Baseball Stadium (including Post-Season Games) in such year.

"Seat License" means any agreement, understanding or arrangement conferring upon a person any right or obligation to purchase a Ticket for admission to Baseball Events or Special Events.

"Separate Development" has the meaning given in the Construction Administration Agreement.

"Separate Property" means those supplies and items of equipment that are owned by the Team or its permitted subtenants or licensees and that, in accordance with Section 2.7, are not part of the Leased Premises. Without limiting the generality of the foregoing, Separate Property may include items such as office furniture and equipment, A/V Facilities, food and beverage preparation and storage equipment, and baseball practice, training and exercise equipment. Property does not qualify as Separate Property if: (i) it is incorporated into or integral to the structure of the Baseball Stadium Complex; (ii) would materially change the exterior aesthetics of the Baseball Stadium Complex; or (iii) would change the essential nature of the Baseball Stadium Complex and the purposes for which it was intended to be used. Buildings and building fixtures may not be Separate Property. To the extent Separate Property constitutes Capital Improvements, it shall be deemed to be Discretionary Improvements.

"Series A Stadium Revenue Bonds" means Stadium Revenue Bonds issued in 200__ designated as either "Series A-1" or "Series A-2" or Stadium Revenue Bonds issued to refund or refinance any Series A Stadium Revenue Bonds.

"Series A-1 Stadium Revenue Bonds" means Stadium Revenue Bonds issued in 200__ designated as "Series A-1" or Stadium Revenue Bonds issued to refund or refinance Series A-1 Stadium Revenue Bonds.

"SNDA" means a Subordination, Non-Disturbance and Attornment Agreement.

"Special Event" shall mean any event, other than a Baseball Event, at the Baseball Stadium Complex for which spectators or participants are admitted with or without charge, and which are promoted and managed by third parties under contract with the Team, including, but not limited to, concerts, conventions, shows, trade shows, convocations, celebrations, business meetings, catered events, sporting events, public exhibitions and similar events.

"Stadium Field" means the playing surface located inside of the Baseball Stadium.

"Stadium Revenue Bonds" means those certain bonds (sold in one or more series) issued or that might be issued in the future by the District Government to finance or refinance a portion or all of the District Government's contribution to the acquisition, planning, design and construction of the Baseball Stadium Complex.

"Stadium Revenues" means all revenues (excluding taxes or government charges) generated from or by reason of Baseball Events, Special Events or other Permitted Uses of the Leased Premises, including but not limited to: the proceeds from the sale of Tickets or other rights to admission; the proceeds from the sale of licenses to Suites; the proceeds from the sale of Seat Licenses; all revenues derived from the sale or licensing of rights of any sort to televise, broadcast, transmit, record, advertise or promote in any manner the Baseball Events, Special Events or other Permitted Uses of the Leased Premises or any description or account of the Baseball Events, Special Events or other Permitted Uses of the Leased Premises; all proceeds from the sale at or from the Leased Premises of concessions, memorabilia, souvenirs, or other products and services; all marketing, advertising, promotional, naming and other revenues derived from or arising out of the Leased Premises in connection with Baseball Events, Special Events or other Permitted Uses of the Leased Premises or Promotional Rights with respect thereto, or products, services, information or media content sold from there; all proceeds from assignments, subleases or licenses of Leased Premises; and all revenues from the sale of parking or rights to parking at the Leased Premises or the Parking Facilities.

"Subordination, Non-Disturbance and Attornment Agreement" means an agreement described in Article 17 and containing substantially similar terms to those contained in Exhibit C.

"Substantial Completion" means the completion of the Baseball Stadium Complex to the extent that (i) the Team is entitled under Applicable Laws to receive and has received a certificate of occupancy; (ii) subject to Section 7.1 of the Construction Administration

Agreement, the Team is entitled to receive all necessary local health department approvals to occupy and use the Baseball Stadium Complex in accordance with the terms of this Agreement; (iii) the Baseball Stadium Complex is available for the play of Major League Baseball with full available seating capacity in accordance with Baseball Rules and Regulations; and (iv) the Project Architect (as defined in the Construction Administration Agreement) delivers a certificate to the Commission and the Team stating that, in the Project Architect's professional judgment made in accordance with the applicable standard of care, that as of such date the Baseball Stadium Complex has been substantially completed in accordance with the Baseball Stadium Plans and Specifications (as defined in the Construction Administration Agreement), subject only to incidental corrective work or "punch list" type items which do not materially interfere with the beneficial use and occupancy of the Baseball Stadium Complex by the Team for Permitted Uses.

"Suites" mean the private viewing boxes constructed as part of the Baseball Stadium Complex in accordance with the Construction Administration Agreement.

"Targeted Taxes" means any taxes or government charges directly or indirectly levied against or imposed on: (i) the Team's property interest in the Leased Premises; (ii) receipts from purchasers, lessees or licensees of Suites of amounts in excess of the face value of the admission tickets for seats in the Suites; (iii) the activities conducted by the Team at the Baseball Stadium Complex or the income therefrom unless the tax or governmental charge applies to the same or similar activities conducted by a reasonably broad range of other businesses or persons in the District of Columbia or income therefrom; (iv) receipts from the sale of any Tickets or rights to purchase Tickets or other rights to admission to the Baseball Stadium unless the tax or governmental charge is one of general application levied against or imposed generally on receipts from the sale of Tickets or rights to purchase Tickets or other rights to admission to sports, amusement and entertainment facilities within the government's jurisdiction; (v) the gross receipts or incomes of players, coaches, enterprises, teams, or team owners who use the Leased Premises unless the tax or governmental charge is one of general application levied against or imposed on the gross receipts or incomes of people, enterprises or owners of enterprises, as the case may be, within the government's jurisdiction; (vi) any capital gain on or appreciation in the investment in the Team unless the tax or governmental charge is one of general application to investments in enterprises of most any type; or (vii) the sale of the Franchise or an ownership interest in the Team unless the tax or governmental charge is one of general application to investments in enterprises of most any type; provided, however, that "Targeted Taxes" shall not include any tax in effect on the date of this Agreement on sales of or revenues from Tickets, seat licenses or merchandise.

"Team" means Baseball Expos, L.P., and its successors and authorized assigns under this Agreement.

"Team Default" has the meaning given in Section 16.1.

"Team Foundation" means the charitable foundation promoted by the Team in accordance with Section 8.4(a).

"Team Indemnitees" means the MLB Entities and all of the Team's shareholders, partners, directors, officers, employees, agents, licensees, independent contractors and consultants.

"Team Non-Relocation Obligations" means obligations of the Team under each and all of: (i) Sections 3.01 and 6.13 of the Baseball Stadium Agreement until the termination of the Baseball Stadium Agreement; (ii) Section 3.2 of the RFK License until the termination of the RFK License; and (iii) Article 2 of the Non-Relocation Agreement; including, in the case of each of such obligations, the Team's liability for applicable damages upon breach of any such obligations.

"Team's Misuse" means any use of the Baseball Stadium Complex by the Team which is not permitted by this Agreement, and any negligent or willful acts of the Team or any of its employees, agents, representatives, assigns, concessionaires, patrons, licensees, guests, or invitees, the result of either of which is to cause any damage to the Leased Premises, the correction of which requires any expenditure of funds by the Commission.

"Term" has the meaning given in Section 3.1.

"Ticket" means tickets, invitations and passes for admission to Baseball Events or Special Events, including admission to seating or standing areas within the Baseball Stadium Complex, but not in the Baseball Stadium, that afford spectator views of Baseball Events or Special Events.

"Untenantability Period" has the meaning given in Section 12.1.

"Upgrade Improvements" means Capital Improvements that are necessary to keep the Baseball Stadium Complex on par with the upgraded facilities in place at the time of determination in at least 50% of all Major League Baseball ballparks that are governmentally owned in whole or substantial part and more than two years old.

ARTICLE 2

LEASE OF LEASED PREMISES

2.1. Lease

For the Rent and upon the terms and conditions contained in this Agreement, the Commission hereby subleases the Baseball Stadium Site and the Baseball Stadium Complex to the Team for the Term of this Agreement. Upon the terms and conditions contained in this Agreement, the Team hereby subleases the Baseball Stadium Site and the Baseball Stadium Complex from the Commission for the Term of this Agreement. Except as provided in Section 2.3 and Article 8, the Team shall be entitled to the exclusive possession and use of the Leased Premises for Permitted Uses. The Commission shall exercise and devote such portion of the Development Rights as is necessary to construct the Baseball Stadium Complex in accordance with the Construction Administration Agreement and to perform its obligations under this Agreement.

2.2. Title; Negative Lien Covenant

The Commission represents and warrants and covenants with the Team that on the Commencement Date the District Government and AWC, in some combination, will have good and marketable fee simple title to the Leased Premises subject only to Permitted Encumbrances. The Commission represents and warrants to the Team that the Ground Lease and the Ground Sublease are for terms of not less than 90 years and that the rights of the Team under this Agreement may not be terminated or adversely affected in any respect by reason of any default by the District Government, the Commission or AWC under the terms of the Ground Lease or the Ground Sublease. The Commission shall not amend or consent to the amendment of the Ground Lease or the Ground Sublease without the prior written consent of the Team. The Commission shall not create or permit to exist any liens or encumbrances on its interest, AWC's interest or the District Government's interest in the Leased Premises other than Permitted Encumbrances. The Team shall not create or permit to exist any lien or encumbrance on its interest in the Leased Premises other than Permitted Encumbrances.

2.3. Permitted Uses

Except as provided in this Section 2.3, the Team shall have the right to use the Leased Premises for:

- (a) Baseball Events;
- (b) Special Events pursuant to a Rental/Promotion Agreement;
- (c) the exercise of Promotional Rights, including without limitation the photographing, filming, televising, radio broadcasting, webcasting, and other means, whether now known or later developed, of recording or transmitting Baseball Events and Special Events and any description of the accounts of Baseball Events and Special Events;
- (d) such uses as are commonly made of Major League Baseball ballpark facilities of comparable scale to the Baseball Stadium Complex, including but not limited to concessions, retail sales, food and beverage service, restaurants, clubs, meetings, catered events, conventions, receptions, entertainment, arcade, recreational activity, fan appreciation activity, hall of fame, and business office; and
- (e) subject to the prior written consent of the Commission, for any other lawful purpose.

In the case of uses qualifying under clause (b), the Team shall deliver the executed Rental/Promotion Agreement to the Commission at least five Business Days prior to the proposed Special Event together with a certification from the Team that the Special Event will not violate any provision of this Section 2.3. Except to the extent necessary to cover costs that may be incurred by the Commission and are not otherwise reimbursable under this Agreement, the Commission may not condition its consent in respect of clause (e) on a requirement that it be paid Rent in excess of what is otherwise payable under this Agreement or entitled to share in the revenues or profits derived by the Team from the proposed Permitted Use. The Team shall not

use the Baseball Stadium Complex in violation of Baseball Rules and Regulations, Permitted Encumbrances in existence on the date of this Agreement, or Applicable Laws of general application. The Team shall not permit waste to be committed with respect to the Baseball Stadium Complex and shall not permit a nuisance at the Baseball Stadium Complex. The Team shall not permit any use of the Baseball Stadium Complex that creates safety hazards or that would interfere with the safe and normal operation, management and maintenance of the Baseball Stadium Complex. The Team shall not violate, or permit the violation of, any condition imposed by any insurance policy required to be maintained by the Team under this Agreement and in effect in respect of the Leased Premises and shall not do, or permit anything to be done, or keep or permit anything to be kept in the Leased Premises which would materially increase any insurance rate in respect of the Leased Premises over the rate which would otherwise then be in effect pursuant to this Agreement or which would result in insurance companies of good standing refusing to insure the Leased Premises in amounts reasonably satisfactory to the Commission, or which would result in the cancellation of, or the assertion of any defense by the insurer in whole or in part to claims under, any policy of insurance required to be maintained under this Agreement in respect of the Leased Premises.

2.4. Quiet Enjoyment

Except during the continuance of a Team Default, the Team shall have the right to quiet enjoyment of the Leased Premises and its other rights under this Agreement without hindrance or interference by the Commission or by any Person lawfully claiming through or under the Commission.

2.5. Allocation of Stadium Revenues

Except as otherwise provided in Sections 5.6 and 8.3, as among the Team, the Commission and the District Government, all Stadium Revenues belong to the Team. Except as otherwise provided in Sections 5.6 and 8.3, the Commission and the District Government disclaim any and all rights to Stadium Revenues. Except as otherwise provided in this Agreement, revenues other than Stadium Revenues derived from the Leased Premises shall be allocated as agreed in writing by the Commission and the Team.

2.6. Release of Property and Granting of Easements

The Team and the Commission shall cooperate for the purpose of granting easements on the Baseball Stadium Site to public and private utilities or other third parties or releasing property from the terms of this Agreement whenever such grant or release would be beneficial to the value or operation of the Baseball Stadium Complex. The Commission shall use its best efforts to cause the District Government and AWC to join in and execute any such easements or releases.

2.7. Separate Property

Subject to Section 6.1, the Team and its permitted subtenants and licensees may install, keep and maintain Separate Property on and in the Leased Premises in which the Commission shall have no property interest unless it is a subtenant or licensee from the Team.

Separate Property is not part of the Leased Premises and may be removed at any time provided that the Team repairs any material damage to the Leased Premises caused by the removal.

ARTICLE 3

TERM

3.1. Term of Agreement

The term of this Agreement (the "Term") shall commence on the Commencement Date described in Section 3.2 and continue until the earlier of (i) 11:59 p.m., Washington D.C. time, on the Expiration Date or (ii) the effective time of a termination in accordance with Section 3.4. The first Lease Year and the "Expiration Date" are determined as follows:

(a) If the Commencement Date occurs after November 1 in a particular Calendar Year and before the last day in February in the following Calendar Year: (i) the first Lease Year shall begin on the Commencement Date and end on the last day of February first to occur more than 12 months after the Commencement Date; and (ii) the initial Expiration Date shall be the last day of February in the 30th Lease Year.

(b) If the Commencement Date occurs on or after the last day in February in a particular Calendar Year and on or before April 1 of the same Calendar Year: (i) the first Lease Year shall begin on the Commencement Date and end on the last day of February in the next following Calendar Year; and (ii) the initial Expiration Date shall be the last day of February in the 30th Lease year.

(c) If the Commencement Date occurs after April 1 and on or before November 1 in a particular Calendar Year: (i) the first Lease Year shall begin on the Commencement Date and end on the last day of the next following February; and (ii) the initial Expiration Date shall be the last day of February in the 31st Lease Year.

(d) If the Team elects an Extension Term in accordance with Section 3.3, the Expiration Date shall become the last day of February in the final Lease Year of the Extension Term.

No rights or obligations arise under this Agreement until the Commencement Date except for the rights and obligations under Sections 2.2, 2.5 (subject to 3.8), 3.8, 3.9, 6.6, 6.7, 8.9, 9.2, 9.3 and Articles 13, 14, 15, 16, 17 and 18, which shall arise upon the ~~execution and delivery of this~~ earlier of (i) March 1, 2006 or (ii) the date of delivery to the Team of the fully executed "Project Contract" with the "Construction Manager" as such terms are defined in the Construction Administration Agreement.

3.2. Commencement Date

The "Commencement Date" shall be the first day following Substantial Completion and the delivery to the Team of the items specified in Section 7.8 of the Construction Administration Agreement; provided, however, if Substantial Completion has not

occurred on or before March 31 in a particular Calendar Year, the Commencement Date shall be determined as follows:

(a) The Commencement Date shall be such date, if any, following Substantial Completion in such Calendar Year as shall be specifically designated by the Commission to the Team upon six months' prior written notice provided that the date so designated shall not be later than July 31.

(b) In the event clause (a) does not apply, the Commencement Date shall be such date, if any, in such Calendar Year following Substantial Completion as shall be specifically designated by the Team to the Commission upon 30 days' prior written notice.

(c) If the Commencement Date is not established by clause (a) or clause (b), the Commencement Date shall not occur in such Calendar Year.

The Commission shall notify the Team in writing, not later than the final day of the Regular Season prior to the proposed Commencement Date, of whether the Commission believes that the Team may take occupancy of the Leased Premises on April 1 of the succeeding Calendar Year. The Team shall take possession of the entire Leased Premises on the Commencement Date. The Team's taking possession of all or any portion of the Leased Premises shall not imply or stand as evidence that all or any portion of the Baseball Stadium Complex was then in good order and satisfactory condition, the determinations as to which shall be made in accordance with the Construction Administration Agreement. When the Commencement Date is established, the Commission and the Team shall execute and deliver a certificate setting forth the Commencement Date and the Expiration Date (subject to extension as provided in Section 3.3). If the Term has not commenced by April 1, 2015, this Agreement shall automatically terminate on April 1, 2015, the sole purpose of such termination provision being to avoid any possible interpretation that this Agreement violates the Rule Against Perpetuities or other rule of law against restraints on alienation.

3.3. Extension Terms

The Commission hereby grants to the Team options to extend the Term of this Agreement for up to five consecutive periods of two years each, with each, if exercised, beginning upon the expiration of the immediately prior Lease Year (each two-year extension period being referred to as an "Extension Term"). Each option for an Extension Term shall be exercisable by written notice from the Team to the Commission given no later than one year prior to the then current Expiration Date. No option may be exercised during the continuance of a Team Default. If an option is exercised, the Term of this Agreement shall include the Extension Term. If an option is not exercised, the Team's remaining options to extend the Term automatically terminate and are void.

3.4. Early Termination

The Term of this Agreement shall terminate prior to the Expiration Date upon the occurrence of any of the following events:

- (a) written agreement of the Parties to terminate this Agreement;
- (b) ~~(a)~~ termination of the Baseball Stadium Agreement in accordance with Sections 8.02 or 8.03 thereof; or
- (c) ~~(b)~~ termination of this Agreement in accordance with Sections 12.1, 13.1, 13.2, 16.1, 16.2 or 16.3.

3.5. Return of Leased Premises

Upon the Expiration Date or in the event of termination pursuant to Section 3.4, the Team shall peaceably surrender possession of the Leased Premises to the Commission and deliver all keys to any enclosed or secured areas of the Baseball Stadium Complex to the Commission and make known to the Commission the combination of all locks of vaults then remaining in the Baseball Stadium Complex, and shall, subject to Section 3.6, return the Leased Premises to the Commission in good condition and repair, excluding normal wear and tear and subject to loss or damage by fire or other casualty.

3.6. Removal of Separate Property

Upon the Expiration Date or in the event of a termination pursuant to Section 3.4, the Team shall, with reasonable promptness, remove the Separate Property from the Baseball Stadium Complex and repair any material damage to the Baseball Stadium Complex caused thereby. If the Team fails to remove any Separate Property, such Separate Property shall be deemed to have been abandoned. At its option the Commission may remove, store or sell the abandoned Separate Property at private sale or public auction, and the Team shall pay to the Commission upon demand the reasonable cost of removal, storage and sale. In the event the Commission removes any Separate Property, the Commission shall not be responsible to store the Separate Property or compensate the Team for the value thereof. In the event the Commission determines to store the Separate Property on the Team's behalf, the Team shall also be responsible to the Commission for all actual storage costs.

3.7. Holding Over

If the Team or any Person acting by or through the Team shall retain possession of the Leased Premises after termination or expiration of the Term, the Team shall be a tenant at sufferance. For the period during which the Team or such Person so retains possession of the Leased Premises, the Team shall pay Basic Rent monthly in advance to the Commission at the rate Basic Rent was payable by the Team during the immediately prior Lease Year (with any partial month being treated as a full month). Additional Rent, if any, shall be payable within 45 days after the end of the Season. The Team shall indemnify the Commission and Commission Indemnitees and hold them harmless from and against all liabilities, damages, obligations, losses and expenses sustained or incurred by them by reason of such retention of possession of the Leased Premises by the Team or such Person, except to the extent the same is the result of or arises out of the negligence or intentional misconduct of the Commission or the Commission Indemnitees. If the retention of possession of the Leased Premises is with the written consent of the Commission, such tenancy shall be from month to month and in no event from year to year or any period longer than month to month. The provisions of this Section 3.7 shall not constitute

a waiver by the Commission of any re-entry rights or remedies of the Commission available under this Agreement. Except as modified by this Section 3.7, all terms and provisions of this Agreement shall apply during any holdover period. During any such holdover period, each Party shall give to the others at least 30 days written notice to quit the Leased Premises, except in the event of nonpayment of Rent when due, or of the breach of any other covenant by the Team, in which event the Team shall not be entitled to any notice to quit, the usual 30 days notice to quit being expressly waived. Notwithstanding the foregoing provisions of this Section 3.7, if the Commission shall desire to regain possession of the Leased Premises promptly at the expiration of the Term or any extension thereof, the Commission may re-enter and take possession of the Leased Premises by any legal action or process in force in the District of Columbia.

3.8. Early Partial Occupancy

In the event any portion of the Baseball Stadium Complex has been substantially completed prior to the Commencement Date to the extent that any such portion may be legally occupied, the Team shall have the right, subject to satisfaction of all applicable requirements under the Construction Administration Agreement and the prior written approval of the Commission, to occupy and operate any such portion or portions of the Baseball Stadium Complex for Permitted Uses. Without limiting the generality of the foregoing, the Team shall have the right to occupy office, ticket or administrative facilities in the event any of such facilities may be legally occupied prior to the Commencement Date. In the event of early occupancy, the Team shall be responsible for the payment of all utilities consumed in connection with early occupancy, shall be responsible for Maintenance and Repairs of the occupied property, and shall otherwise comply with the provisions of this Agreement that are applicable to the occupied property, but shall have no responsibility for the payment of any rent for early occupancy. In the event that the Team takes early occupancy of offices or retail space, the Team shall pay the Commission for the use that occurs prior to the Commencement Date. The payment, which shall be in addition to scheduled Basic Rent, shall be made monthly in advance and shall be a ratable portion (based on the duration of the early occupancy and the ratio of square footage of the occupied space to the square footage of the entire Baseball Stadium Complex) of the scheduled Basic Rent for the first Lease Year.

3.9. Construction Administration Agreement

The Commission and the Team shall timely perform each and every obligation on its part contained in the Construction Administration Agreement. In addition, the Commission agrees as follows (with the terms in quotation marks having the meanings assigned to them in the Construction Administration Agreement or in this Section 3.9, as the case may be):

(a) The Commission shall construct and complete the Baseball Stadium Complex in accordance with the "Baseball Stadium Plans and Specifications" and shall bear and pay the costs thereof except for the "Team's Funding Obligations".

(b) The Commission shall use its reasonable best efforts to complete the Baseball Stadium Complex prior to March 1, 2008.

(c) The Parties have agreed upon a special method of providing for compensatory payment to the Team in the event that, for whatever reason (including Force Majeure), "Substantial Completion" does not occur by March 1, 2008. To the extent that, notwithstanding the Commission's reasonable best efforts to meet the deadline, "Substantial Completion" does not occur by March 1, 2008 as a result of a Force Majeure event, the Team shall have no recourse to the Commission for compensatory payments or damages but rather shall be limited in its recourse against the Commission to the amount of "Third Party Late Completion Proceeds" payable to the Team in such event. In all other cases, the Team shall be entitled and limited to compensatory payment from the Commission calculated and payable as follows:

(i) The compensatory payment shall be calculated in respect of a maximum period of 24 months following March 1, 2008.

(ii) With respect to the first 12 months, the compensatory payment shall be an amount, not less than zero, equal to 50% of the excess of Team Damages over Public Damages in respect of the portion of that 12 month period prior to "Substantial Completion". The amount of such compensatory payment shall be payable by the Commission solely by means of abatement of 50% of the license fees under the RFK License during the calendar year 2008.

(iii) With respect to the second 12 months, the compensatory payment shall be an amount, not less than zero, equal to 50% of the excess of Team Damages over Public Damages in respect of the portion of that 12 month period prior to "Substantial Completion". The amount of such compensatory payment shall be capped (subject to the exception provided below) at \$19,000,000 and shall be payable by the Commission by: (i) abating, to the extent necessary, license fees under the RFK License; (ii) reducing, to the extent necessary, the rent under this Agreement by \$1,000,000 in the first year of occupancy under the Lease and \$1,250,000 in each of the second and third years of occupancy (or by such higher amounts as the Commission may determine in its discretion); and (iii) payment in cash of any unpaid amount on the earlier of the termination of the Baseball Stadium Agreement in accordance with Section 8.03 thereof or the third anniversary of the Team's occupancy of the Baseball Stadium Complex under this Agreement. The Team shall be entitled to the full amount of "Third Party Late Completion Proceeds" notwithstanding the \$19,000,000 cap.

(iv) "Team Damages" means customary compensatory damages, but in any event taking into account without duplication: (i) as an addition, the costs and expenses incurred by the Team as a result of the failure to achieve "Substantial Completion" by March 1, 2008; (ii) as an addition, the Team's lost profits (revenues net of all applicable costs, taxes and other expenses) derived from private suites, club or other premium seating, parking, concessions, naming rights and other advertising, signage and sponsorships that would have been available to the Team if it were operating in the Baseball Stadium Complex; (iii) as a subtraction, any "Third Party Late Completion Proceeds"

received by the Team; and (iv) as an addition, interest on unpaid compensatory payment in respect of the second 12 month period from the date of incurrence of damage to the date of payment at the rate of 5% per annum (non-compounded).

(v) "Public Damages" means the amount of lost ticket tax, sales taxes and other exercise tax revenues on ticket sales, parking revenues, food and beverage sales, and merchandise sales at the Baseball Stadium Complex, but in any event taking into account without duplication: (i) as a subtraction, the amount of such taxes collected as a result of the Team's operations at RFK Stadium; and (ii) as an addition, the amount of such taxes required to be deposited into the Ballpark Revenue Fund.

(vi) If the Team exercises its termination right under Section 8.03 of the Baseball Stadium Agreement, the Team shall have no recourse to the Commission for compensatory payments under this Section 3.9 (except for "Third Party Late Completion Proceeds") in respect of any period after the termination date.

(d) If ever and whenever the Commission and the District Government receive a "Funding Deficiency Notice" pursuant to Section 6.5 of the Construction Administration Agreement, the Commission shall, within 18 months following the date of delivery of the Funding Deficiency Notice, bring the funding of the Project "in balance" within the meaning of the Construction Administration Agreement.

The provisions of this Section 3.9 shall become effective upon the execution and delivery of this Agreement notwithstanding the fact that the Commencement Date has not yet occurred. It is understood that a breach by the Commission of any one or more of its obligations under this Section 3.9 may result in a Commission Default and lead to the remedies available to the Team under Article 16.

ARTICLE 4

RENT

4.1. Basic Rent

Subject to Section 4.3, the Team shall pay Basic Rent in respect of each Lease Year in accordance with the schedule below:

<u>Lease Year</u>	<u>Annualized Basic Rent</u>
1	\$3,500,000
2	\$3,750,000
3	\$4,000,000

<u>Lease Year</u>	<u>Annualized Basic Rent</u>
4	\$4,500,000
5	\$5,000,000
6	\$5,500,000
7 and thereafter	\$10,000 less than 102% of the Basic Rent in the immediately prior Lease Year

provided, however, that beginning with the seventh Lease Year, there shall be no increase in Basic Rent over the Basic Rent for the immediately prior Lease Year if the paid attendance for Baseball Home Games in the immediately prior Lease Year was less than the median annual paid attendance for all Major League Baseball Clubs for baseball home games for the three-year period ending with such immediately prior Lease Year. The Basic Rent shall be payable in a ~~single two semi-annual installments~~ installments due on ~~April 1~~ March 31 (or, in the case of first Lease Year, on the 45th day after the Commencement Date if the Commencement Date is later than March 1) and September 30 of the Lease Year to which it pertains. In the case of a Lease Year composed of less than 12 months (potentially applicable only in the case of the first and last Lease Years), the Basic Rent shall be pro-rated based on the percentage of the Team's Baseball Home Games for such Lease Year played in the Baseball Stadium and the Commission shall return any overpayment of Basic Rent. If the first Lease Year is composed of more than 12 months, the Basic Rent for that Lease Year shall remain at \$3,500,000.

4.2. Additional Rent

The Team shall pay to the Commission additional rent in each Lease Year equal to the product of one dollar times the amount by which the sum of the following exceeds 2,500,000, namely the sum of:

- (a) every Ticket issued for admission to Baseball Home Games in such Lease Year, except: (i) Tickets for Charity Exhibition Games; (ii) Discount Tickets; and (iii) Complimentary Tickets; plus
- (b) the number of Discount Tickets issued for admission to Baseball Home Games in such Lease Year multiplied by a fraction the numerator of which is the aggregate purchase price paid for the Discount Tickets and the denominator of which is the aggregate purchase that would have been paid for the Discount Tickets if they were sold at Face Value.

As used in this Section 4.2: (i) "Discount Tickets" means Tickets, other than Complimentary Tickets, sold at prices less than Face Value; (ii) "Complimentary Tickets" means Tickets given by the Team to Persons at no charge, including Tickets issued to the Commission pursuant to Section 8.4 and tickets issued to baseball players of the Team, but excluding "trade tickets"

given to sponsors, vendors or others as part of a business arrangement; and (iii) "Face Value" means the standard or face price at which a particular Ticket is offered for sale to the public, and, in the event the Team adopts a pricing system in which the price of a Ticket may vary based upon the date or the opponent or when the Ticket is sold, or similar marketplace factors (other than volume discounts and single event or other special promotions), means the Team's price at which the particular Ticket is actually sold by the Team. The Additional Rent is payable annually within 45 days following the end of each Season.

4.3. Conditions to Obligation to Pay Rent

The Team is not required to pay Basic Rent in respect of any portion of a Lease Year during which the Team is unable to play scheduled Baseball Home Games at the Baseball Stadium (unless made up with rescheduled Baseball Home Games played at the Baseball Stadium during the same Season) in the event of circumstances described in Sections 12.1 or 13.1 or as a result of any event of Force Majeure other than strikes, lock-outs boycotts or other labor disputes involving Major League Baseball or the Major League Baseball Players' Association. If, as a result of this Section 4.3, the Team is not required to pay Basic Rent for a portion of a Lease Year, the Basic Rent shall be pro-rated based on the percentage of the Team's Baseball Home Games for such Lease Year played in the Baseball Stadium, and any overpayment of Basic Rent shall be returned to the Team within 30 days following the end of the Season.

4.4. Manner of Payment

Rent and all other amounts payable by the Team under this Agreement shall be paid in legal tender of the United States of America by, at the election of the Commission with reasonable prior written notice to the Team, wire transfer or check drawn on a United States bank (subject to collection), to the Commission at the Commission's address designated pursuant to Section 18.8, or at such other address or to such assignee of the Commission as the Commission may designate from time to time by written notice to the Team. The Team shall have no set-off rights against the payment of Rent. The Commission's acceptance of Rent or other amounts paid under this Agreement after the same shall have become due shall not excuse a delay in payment by the Team on a subsequent occasion.

4.5. Collateral for Rent

The Team's obligation to pay Rent shall be a general unsecured obligation unless the Team violates the MLB Debt Service Rule (the provisions of Attachment 22 to the Basic Agreement Between the 30 Major League Clubs and the Major League Baseball Players Association, effective September 30, 2002, as amended from time to time) and fails to cure the violation within 60 days after written notice from the Commission demanding that the violation be remedied, in which case the Team shall provide the Commission with reasonable collateral to secure the Team's obligation to pay Rent. Reasonable collateral for this purpose shall be determined by reference to the then prevailing market for Major League Baseball club financing.

4.6. ~~Rent Reserve Account~~

~~The Commission shall cause a trust fund (the "Rent Reserve Account") to be created under the Bond Indenture, to be owned by the Team and held in the custody of the Bond Trustee (as defined in clause (e) below) solely for the uses and purposes described in this Section 4.6. The Bond Indenture documentation for the creation of the Rent Reserve Account, including the provisions governing the authorized uses and purposes of the Rent Reserve Account, shall be subject to the written approval of the Team. The Commission and the Team agree as follows with respect to the Rent Reserve Account:~~

~~(a) The required balance in the Rent Reserve Account (the "Required Reserve Balance") shall be zero until March 1, 2008, and thereafter at any time of determination shall be the least of (i) the aggregate amount of Basic Rent scheduled to fall due on the next following April 1 (without adjustment for paid attendance levels or any possible rent abatement); (ii) the total remaining amount of Basic Rent scheduled (assuming no early termination pursuant to Section 3.4 and without adjustment for paid attendance levels or any possible rent abatement) to fall due prior to the Expiration Date; or (iii) the principal amount of the Series A-1 Stadium Revenue Bonds at the time outstanding within the meaning of the Bond Indenture.~~

~~(b) The funding or replenishment of the Rent Reserve Account shall be (i) in cash in the case of replenishment by the Commission; and or (ii) any combination of cash and irrevocable bank letters of credit meeting the requirements set forth in paragraph (b) below in the case of funding or replenishment by the Team.~~

~~(c) The Team shall calculate the expected amount of the Required Reserve Balance as of November 1 of each Lease Year and shall provide a copy of the calculation to the Commission not later than 15 days in advance of such November 1.~~

~~(d) The Team shall fund the Rent Reserve Account on March 1, 2008 and on each November 1 thereafter so that the value of the Rent Reserve Account on such dates is not less than the Required Reserve Balance on such date. For purposes of valuing the Rent Reserve Account: (i) cash and investments shall be valued at market value; (ii) bank letters of credit shall be valued at the amount available to be drawn thereunder; and (iii) amounts due to the Rent Reserve Account from the Commission as a replenishment obligation under paragraph (f) shall be valued at the amount thereof.~~

~~(e) The Trustee under the Bond Indenture (the "Bond Trustee") shall be entitled to withdraw funds from the Rent Reserve Account on the third Business Day of April in each year beginning 2008 while Series A-1 Stadium Reserve Bonds are outstanding within the meaning of the Bond Indenture if and to the extent there shall have been a shortfall in the receipt by the District Government or Bond Trustee of anticipated Basic Rent ("Rent Shortfall"). From April 1, 2008 through the Commencement Date, the maximum annual amount of Rent Shortfall shall be deemed to be \$3,500,000 (even if no Basic Rent shall in fact be due). On and after the Commencement Date, the Rent Shortfall as of the third Business Day in any April shall be the shortfall, if any, in the amount of Basic Rent actually paid by the~~

~~Team and received by the Bond Trustee in respect of the then-current Lease Year as against the amount of Basic Rent that became due in respect of the then-current Lease Year in accordance with Section 4.1 (without adjustment for any possible rent abatement). Amounts withdrawn from the Rent Reserve Account pursuant to this paragraph (e) may be used only to pay principal of or interest on the Series A-1 Stadium Revenue Bonds.~~

~~(f) — To the extent a Rent Shortfall is the result of anything other than a Team Default, the Commission shall deposit as replenishment into the Rent Reserve Account an amount equal to the amount withdrawn pursuant to paragraph (e) within 18 months following the date of the withdrawal.~~

~~(g) — Monies in the Rent Reserve Account shall be invested and reinvested by the Bond Trustee in Permitted Investments. Earnings realized from the investment of the Rent Reserve Account shall be for the account of the Team and shall be remitted to the Team by the Bond Trustee on a monthly basis. In the event the corpus of the Rent Reserve Account exceeds the Required Reserve Balance, the excess shall be remitted promptly to the Team.~~

~~(h) — A bank letter of credit meets the requirements of this Section 4.6 only if (i) it is issued by a bank rated not less than "A" by both Standard & Poor's Rating Service and Moody's Investors Services Inc; (ii) it is irrevocable; (iii) it authorizes the Bond Trustee to draw on it between April 1 and April 15 in any year beginning 2008 to pay the amount of any Rent Shortfall; and (iv) it authorizes the Bond Trustee to draw on it in full 30 or fewer days prior to its expiry if has not been replaced with a substitute bank letter of credit meeting the requirements of this Section 4.6. Any amounts drawn on the bank letter of credit shall be deposited in the Rent Reserve Account.~~

~~(i) — Upon the written request of the Team prior to March 15 in any year, amounts in the Rent Reserve Account may be disbursed to pay Basic Rent on the following April 1 so long as the projected value of the Rent Reserve Account after the disbursement will not be less than the Required Reserve Balance.~~

ARTICLE 5

MANAGEMENT OF LEASED PREMISES

5.1. Management of Operations

The Team shall have the exclusive right to manage, operate and control the Leased Premises, subject only to: (i) its obligations under this Agreement; (ii) Applicable Laws of general application; and (iii) the rights of the Commission under Section 5.6 and Article 8. Without limiting the generality of the foregoing, the Team shall have the following rights and obligations:

(a) to employ such personnel as the Team deems necessary or desirable for the operation of the Baseball Stadium Complex and the exercise of its rights and the performance of its obligations under this Agreement, including, but not limited to, day-of-game, seasonal and year-round personnel for security, medical services, crowd control, fan services, maintenance, cleaning, landscaping, parking, concessions, retail sales, business office, ticket sales, marketing and baseball operations;

(b) to engage independent contractors to perform any or all services and functions that the Team deems necessary or desirable for the operation of the Baseball Stadium Complex and the exercise of its rights and performance of its obligations under this Agreement, including, but not limited to, security, medical services, crowd control, fan services, maintenance, cleaning, landscaping, parking, concessions, retail sales, business office, ticket sales, marketing and baseball operations;

(c) to adopt, implement and enforce such rules, regulations and policies as the Team deems necessary or desirable regarding (i) employment at the Baseball Stadium Complex; (ii) the health, safety or welfare of employees, independent contractors, guests, invitees, patrons, fans, visitors, licensees, concessionaires and subtenants; (iii) the accreditation for access purposes of members of the media; and (iv) the procurement of goods and services;

(d) subject to Section 9.4, to manage and control all aspects of Permitted Uses of the Leased Premises; and

(e) to manage and control all aspects of the exercise of Promotional Rights, including without limitation the recording and broadcast or other transmission of Baseball Events and the description and accounts of Baseball Events by radio, television, cable, satellite or any other medium now known or later developed.

The Team shall manage and operate the Leased Premises in accordance with Applicable Laws of general application and with due regard for the health and safety of Persons lawfully on the Leased Premises. The Commission shall be afforded the opportunity, at least three Business Days in advance of their execution, to review (but not to copy or retain) and comment upon proposed contracts under paragraph (b) insofar as they pertain to the maintenance and repair of the Leased Premises or the health or safety of Persons on the Leased Premises. ~~In the case of contracts under paragraph (b) that generate a material sales tax liability on the part of the vendor, the Team shall include in such contracts a requirement that the vendor provide a performance bond reasonably satisfactory to the Commission for the payment of such taxes.~~ The Team shall use good faith efforts to cause each Rental/Promotion Agreement and each material contract under paragraph (b) to include a clause to the effect that neither the Commission nor the Commission Indemnitees shall be liable to the contracting parties for damages due to the failure of any utility or other service described in Section 5.3 except to the extent the damages are the result of or arise out of the negligence or willful misconduct of the Commission or the Commission Indemnitees as the case may be. The Team shall give reasonable consideration to the Commission's comments regarding the effect of such amendments on the Parties' respective obligations under this Agreement with respect to Maintenance and Repairs and Capital Improvements.

5.2. Maintenance and Repairs

Subject to Sections 6.5 and 8.2, the Team shall be solely responsible for, and shall make and perform, all Maintenance and Repairs. Maintenance and Repairs shall be performed using good and workmanlike procedures, good quality materials and supplies, and components and replacement parts that are of the same or better quality as the quality of those being repaired or replaced.

5.3. Utilities and Other Services

Subject to Sections 6.5 and 8.2, the Team shall be responsible for paying when due the operating cost of (i) all utility services necessary for the operation of the Baseball Stadium Complex and for the staging, broadcasting or other transmission of Baseball Events, including, but not limited to, fuel, hot and cold water, sanitary and storm sewerage, garbage and waste removal, gas, ventilating, air conditioning, telecommunications, lighting, and electricity, from the utility or Governmental Authority providing the service; and (ii) all pest control, janitorial, and elevator and escalator services. If the District Government or the Commission or agency of either is the owner or provider of the utility service, the utility service shall be provided to the Team without discrimination and on the same basis as other business consumers. If there is an independent utility provider capable of providing a utility service, the Team may purchase utility services from such independent provider. The Team is responsible for Maintenance and Repairs and testing of emergency back-up electrical systems if any. Neither the Commission nor the Commission Indemnites shall be liable to the Team for the disruption or cancellation of any Baseball Event due to the failure or interruption of any utility or other service described in this Section 5.3, except to the extent the same is the result of or arises out of the negligence or intentional misconduct of the Commission or the Commission Indemnites, as the case may be.

5.4. Traffic and Security

At its expense, the Team shall provide reasonable and customary public safety and security services on the Baseball Stadium Site and in the Baseball Stadium Complex at all times; provided, however, that the Team shall have no obligation to provide such services on Commission Event Days or any time in or in respect of Commission Additions. The Team is not responsible for public safety and security in areas outside the Baseball Stadium Site. At its expense, the Commission shall provide reasonable and customary public safety and security services (i) during Commission Event Days as determined in consultation with the Team and (ii) in and in respect of Commission Additions.

5.5. ADA Seating

To assure optimal use of the ADA Seating and the Baseball Stadium Complex by disabled patrons, the Team shall: (i) establish ticket prices for the ADA Seating in a manner that is reasonably proportionate to pricing for all other Tickets; (ii) reserve at least 50% of the ADA Seating for use by disabled patrons and companions who are not season Ticket holders; (iii) not release any unsold ADA Seating for general admission without preserving ability to make

reasonable accommodation for disabled patrons that request ADA Seating during the day of, and up to the time for, any scheduled Baseball Event; (iv) maintain outreach to disabled persons, including through information on the Team's website and appropriate Team administrative personnel, in a manner that is designed to identify other reasonable means to accommodate disabled patrons; (v) advise the Commission of all pertinent information that the Team obtains regarding demand for ADA Seating or other reasonable means to accommodate disabled patrons; and (vi) conduct general training for its employees on disability awareness and the use of appropriate terminology.

5.6. Parking

The Parking Facilities shall be managed by a third-party parking management company (the "Parking Manager") selected by the Team with the written approval of the Commission. The Commission may withhold its approval of a proposed Parking Manager once per selection process in its absolute discretion and otherwise only in accordance with Section 18.13. The Team shall not terminate the Parking Manager without the written approval of the Commission. The contract between the Team and the Parking Manager (the "Parking Contract") shall be consistent with this Section 5.6 and subject to the written approval of the Commission. The Parking Contract shall require the Parking Manager to maintain and operate the Parking Facilities for a fixed or formulaic fee (the "Parking Management Fee"). For purposes of allocating parking revenues, the term "Net Parking Revenues" means the gross receipts from parking less the sum of the Parking Management Fee plus any applicable sales or other excise taxes. The Parking Contract shall require the Parking Manager to manage the Parking Facilities and to account for and remit the Net Parking Revenues on a monthly basis as follows::

(a) There shall be designated from time to time a number of parking spaces (the "Team Reserved Parking Spaces") on the south side of the Baseball Stadium, but not more than 300 spaces, to be reserved at all times for Team player, employee and visitor parking. The Team may make the designation in the case of Team Event Parking as described in paragraph (b). In all other cases, the designation shall be jointly determined and made by the Commission and the Team. The Team Reserved Parking Spaces shall be made available to the Team's authorized parkers without charge and shall have secured access to the Baseball Stadium.

(b) Except for the Team Reserved Parking Spaces, all spaces in the Parking Facilities shall be made available on a fixed charge basis to parkers during the period commencing two hours before and ending at the later of 2:00 a.m. or two hours after (i) each Baseball Home Game and (ii) each other Baseball Event or Special Event expected to have an attendance at the Baseball Stadium Complex of at least 5,000 people (collectively "Team Event Parking"). The Team shall have the right in its sole discretion to designate the fixed price for Team Event Parking and to change such price from time to time. Except for the Team Reserved Parking Spaces and for Team, all spaces in the Parking Facilities shall be made available on a fixed charge basis to parkers during the period commencing two hours before and ending at the later of 2:00 a.m. or two hours after each Commission Event ("Commission Event Parking"). The Commission shall have the right in its sole discretion to designate the fixed price for Commission Event Parking. Except for the Team Reserved Parking Spaces and for

Team Event Parking and Commission Event Parking, the Parking Facilities shall be made available for public parking on a monthly, hourly or other basis with such pricing and other terms as shall be mutually determined by the Commission and the Team ("Public Parking").

(c) In the event that the capacity of the Parking Facilities is more than 1,255 spaces (including 30 bus spaces), the Team shall be entitled to designate from time to time which sections or spaces in the Parking Facilities shall be made available in what order of priority for the Team Reserved Parking Spaces, the Team Event Parking, and Public Parking.

(d) With respect to Public Parking, 15 times per year the Team shall be entitled, with no obligation to the Commission, to issue up to 100 vouchers for free parking to any patrons or guests of the Team at a Baseball Event or Special Event who are admitted into the Baseball Stadium Complex free of charge. For such events, Team may submit a request to the Commission for approval of additional vouchers for free parking.

(e) As to each day on which there shall be Team Event Parking, the Team is entitled to the Net Parking Revenues from the Team Event Parking in respect of the first parking spaces to be filled for such Team Event Parking up to a maximum of 1,255 spaces (including 30 bus spaces) minus the number of Team Reserved Parking Spaces for such day. As to each day on which there shall be Commission Event Parking, the Commission is entitled to the Net Parking Revenues from Commission Event Parking in respect of the first parking spaces to be filled for such Commission Event Parking up to the maximum of 1,255 spaces (including 30 bus spaces) minus the number of Team Reserved Parking Spaces for such day.

(f) Unless the Team makes the election described in paragraph (g), all Net Parking Revenues from the Parking Facilities not allocated to the Team pursuant to paragraph (e), shall be allocated two-thirds to the Commission and one-third to the Team for the Term (including Extension Terms) of the Lease.

(g) The Team shall have a one-time option to elect to receive an allocation of the Net Parking Revenues from Team Event Parking in respect of all parking spaces in the Parking Facilities. Such election, if made, must be made in a written notice to the Commission on or before the Commencement Date. If such election is made, there shall be no allocation of the Net Parking Revenues to the Team pursuant to paragraph (f).

ARTICLE 6

CAPITAL IMPROVEMENTS

6.1. Capital Improvements

The Team shall have the right from time to time to utilize Development Rights and to make, construct and install such Capital Improvements as it deems necessary or

appropriate subject to the requirements of this Section 6.1 and the prior written approval of the Commission, except that the approval of the Commission is not required in the following cases:

(a) Emergency Capital Repairs, provided that the Team shall provide reasonably sufficient information and reasonably specific details about any such Emergency Capital Repairs to the Commission as promptly as possible under the circumstances; and

(b) *de minimis* Necessary Improvements and *de minimis* Discretionary Improvements that in either case do not increase the Commission's costs or its capital replacement obligations.

The Commission shall not have the right to make Capital Improvements, except (i) during the continuance of a Team Default; (ii) during any holdover period described in Section 3.7; or (iii) Emergency Capital Repairs that the Team failed to complete after reasonable (in light of the prevailing circumstances) notice of the necessity thereof from the Commission. The costs of Capital Improvements shall be borne and paid as provided in Section 6.3. Capital Improvements shall be constructed in accordance with Applicable Laws, Baseball Rules and Regulations, and applicable insurance requirements in a first class, good and workmanlike manner using first class materials or component parts that, if applicable, are of substantially the same or better initial quality as those being repaired or replaced, and using such procurement policies and construction systems as the Team reasonably deems appropriate. Capital Improvements shall not: (i) impair the structural or systemic integrity of any portion of the Baseball Stadium Complex; (ii) cause a violation of Applicable Laws of general application; (iii) materially change the exterior aesthetics of the Baseball Stadium Complex; or (iv) change the essential nature of the Baseball Stadium Complex. Except in the case of Emergency Capital Repairs, the Team shall make any plans and specifications and design and construction contracts for Capital Improvements available to the Commission for inspection prior to the commencement of work or the delivery of materials for a Capital Improvement to be made by or on behalf of the Team. Upon completion of any Capital Improvement made by it, the Team shall furnish to the Commission: (i) all original as-built and record drawings prepared in connection with such Capital Improvement, and (ii) copies of full and final waivers of Mechanics Liens and receipted bills covering all labor and materials expended and used.

6.2. Capital Improvement Plan.

Not less than 60 days prior to the commencement of each Lease Year beginning with the second Lease Year, the Team shall furnish the Commission with a written capital expenditure plan that: (i) lists all known Capital Improvements that the Team proposes for such Lease Year; (ii) states the estimated cost of each planned Capital Improvement; (iii) identifies as to each planned Capital Improvement whether it is a Necessary Improvement, an Upgrade Improvement or a Discretionary Improvement; (iv) in the case of Necessary Improvements, explains the basis for classification as such with reasonable supporting documentation; (v) in the case of Upgrade Improvements, explains and provides reasonable supporting documentation for the basis for classification as such, identifies the portion of the cost proposed to be borne by the Team and explains the basis for the proportion; and (vi) identifies any Capital Improvements that will be Separate Property. Within 30 days after receipt of the capital expenditure plan, the

Commission shall, as to each planned capital expenditure requiring Commission approval, either give its written approval or explain the basis upon which approval is being withheld. In the event that the need for any Necessary Improvement arises subsequent to the adoption of the capital expenditure plan for a Lease Year, such Necessary Improvement shall not be commenced or performed until the Commission has consented to such Necessary Improvement in writing. In the event that the Commission does not consent to such Necessary Improvement, the Team shall have the right to undertake such Necessary Improvement at its own cost and expense, which cost and expense shall be reimbursed to the Team from funds allocated to the capital expenditure plan for the succeeding Lease Year. If the Commission and Team fail to agree on the classification of a Capital Improvement, whether or not included in the capital expenditure plan, the disagreement shall be resolved by Arbitration.

6.3. Costs of Capital Improvements

The Team shall bear and pay the cost of Discretionary Improvements made or authorized by it, and, to the extent material, shall pay any resulting incremental cost incurred by the Commission in carrying the insurance described in Section 11.3. The Commission shall bear and pay the cost of all Necessary Improvements except during the continuation of a Team Default. The costs of Upgrade Improvements shall be borne and paid partially by the Team and partially by the Commission, except that the Commission shall have no obligation to pay for any portion of Upgrade Improvements (i) during the continuation of a Team Default, (ii) if, for the Lease Year in question, the capital expenditure plan pursuant to Section 6.2 did not include the Upgrade Improvement in question and (iii) during an Extension Term unless the useful life of the Upgrade Improvement is less than the period of time remaining until the then current Expiration Date. The Team's share of the cost of Upgrade Improvements shall be commensurate with the percentage contributions from Major League Baseball clubs to the same or similar upgraded facilities in other Major League Baseball ballparks that, at the time of determination, are governmentally owned and more than two years old. Arbitration shall be used to resolve any disagreement between the Team and the Commission as to the portion of the cost of Upgrade Improvements to be borne by the Team. The Commission shall be entitled to withdraw funds from the Capital Reserve Fund in accordance with Section 6.4 to pay the costs of Capital Improvements to be borne by the Commission pursuant to this Section 6.3, but the Commission shall not be relieved of its obligation in the event the available funds in the Capital Reserve Fund are insufficient.

6.4. Capital Reserve Fund

The Commission shall establish and maintain a segregated account (the "Capital Reserve Fund") with a bank or financial institution for the uses and purposes set forth in this Section 6.4. On or before April 15 of each Lease Year during the Term (or, in the case of the first Lease Year, on or before the 45th day after the Commencement Date), the Commission shall, without demand therefor, deposit the annual amount of \$1,500,000 into the Capital Reserve Fund. Additional funds may be deposited into the Capital Reserve Fund from the Contingency Reserve Fund in accordance with Section 6.5. The Commission shall invest the Capital Reserve Fund in Permitted Investments having maturities not inconsistent with the respective dates on which it is expected that funds will be needed for the purposes described below. Income and gain from investment shall be credited to and become part of the Capital Reserve Fund. The

Commission shall, from time to time, withdraw or otherwise direct the disbursement of funds in the Capital Reserve Fund for the following purposes and for no other purposes:

- (a) to pay the expenses of investing the Capital Reserve Fund;
- (b) to pay directly, or reimburse the Team for, any and all costs and expenses incurred by the Team for Necessary Improvements made by the Team;
- (c) to pay directly, or reimburse the Commission for, any and all costs and expenses incurred by the Commission for: (i) Necessary Improvements made by the Commission during the continuance of a Team Default; and (ii) Discretionary Improvements made by the Commission that are necessitated by the Team Default;
- (d) to pay directly or reimburse the Team for the Commission's share of the costs and expenses of Upgrade Improvements made by the Team;
- (e) for such other purposes as the Commission and Team agree in writing are necessary or appropriate to preserve, maintain or enhance the value of the Baseball Stadium Complex; and
- (f) upon the Expiration Date or a termination of this Agreement pursuant to Section 3.4, any funds remaining in the Capital Reserve Fund shall be paid to the Commission.

The Commission shall furnish the Team with quarterly statements showing all activity in the Capital Reserve Fund. The Commission and the Team mutually intend that the Capital Reserve Fund is an asset of the Commission designed to protect, preserve and enhance the value of its ownership interest in the Baseball Stadium Complex and, accordingly, is not an asset of the Team and the income and gain from the investment of the Capital Reserve Fund are not income or gain attributable to the Team.

6.5. Contingency Reserve Fund

On or before the fifth anniversary of the Commencement Date, the Commission shall deposit the sum of \$5,000,000 into a segregated account (the "Contingency Reserve Fund") with a bank or financial institution for the uses and purposes set forth in this Section 6.5. The Commission shall invest amounts on deposit in the Contingency Reserve Fund in Permitted Investments having maturities not inconsistent with the respective dates on which it is expected that funds will be needed for the purposes described below. Income and gain from investment shall be credited to and become part of the Contingency Reserve Fund. The Commission shall, from time to time, withdraw or otherwise direct the disbursement of funds in the Contingency Reserve Fund for the following purposes and for no other purposes:

- (a) to pay the expenses of investing the Contingency Reserve Fund;
- (b) to transfer funds to the Capital Reserve Fund in the event the balance in the Capital Reserve Fund is insufficient to pay or reimburse for Necessary Improvements

in accordance with paragraphs (b) or (c) of Section 6.4 or for the Commission's share of Upgrade Improvements in accordance with paragraph (d) of Section 6.4;

(c) for such other purposes as the Commission and Team agree in writing are necessary or appropriate to preserve, maintain or enhance the value of the Baseball Stadium Complex; and

(d) upon the Expiration Date or a termination of this Agreement pursuant to Section 3.4, any funds remaining in the Contingency Reserve Fund shall be paid to the Commission.

The Commission shall furnish the Team with quarterly statements showing all activity in the Contingency Reserve Fund. The Commission and the Team mutually intend that the Contingency Reserve Fund is an asset of the Commission designed to protect, preserve and enhance the value of its ownership interest in the Baseball Stadium Complex and, accordingly, is not an asset of the Team and the income and gain from the investment of the Contingency Reserve Fund are not income or gain attributable to the Team.

6.6. Commission Additions

~~Except as provided in Section 6.1 and this Section 6.6, Prior to the Commencement Date, the Commission may utilize Development Rights in accordance with the Construction Administration Agreement. On and after the Commencement Date, the Commission shall not be entitled to utilize Development Rights on the Baseball Stadium Site, or and to make any capital improvements to or within the Baseball Stadium Complex or elsewhere on the Baseball Stadium Site after the Commencement Date as permitted in accordance with Section 6.1 or this Section 6.6, and not otherwise.~~ The Commission shall have the obligation to complete the Baseball Stadium Complex in accordance with Section 3.9(b) and the Construction Administration Agreement. The Commission shall have the right to complete any "Separate Development" (within the meaning of the Construction Administration Agreement) that was under construction 180 days prior to the Commencement Date; provided, however, that there shall be no construction activity with respect to Separate Development during the period spanning two hours before and after a Baseball Event. At any time during the Term, the Commission may, with the consent of the Team, make Commission Additions that are in the nature of fixtures, kiosks and the like (but not including buildings or enclosed structures) that do not interfere in any material respect with the Team's Permitted Uses. The Commission and the Team shall jointly evaluate and use reasonable commercial efforts to combine Discretionary Improvements and Development Rights to attract economically viable commercial activity (i) to the South side of the Baseball Stadium Site, and (ii) to the extent that development thereof is not completed or under construction by the Team as of a date in 2006 mutually determined by the Commission and the Team, to the First Street Retail Space. The Team agrees to facilitate Commission Additions by granting to the Commission, if necessary, a release from the Leased Premises of an appropriate portion (but no more than necessary) of the Leased Premises under an instrument reasonably designed to permit the financing of the Commission Addition.

6.7. Team Contribution

The Team shall make a \$20,000,000 contribution to the Project Account (as defined in the Construction Administration Agreement) on the later of (i) January 1, 2008, or (ii) the first date after the Commission or the District collectively shall have expended a cumulative total of at least \$400,000,000 from the Project Account for Project Costs (as defined in the Construction Administration Agreement). The contribution shall be allocated ~~to the cost of fixtures and equipment included in the Leased Premises as designated by the Commission~~ by the Commission to costs previously authorized by the Commission in accordance with the Construction Administration Agreement in the following order of priority: first, to the cost of equipment; second to the cost of fixtures; and third to the cost of building construction.

ARTICLE 7

TAXES

7.1. Property Taxes

The Commission acknowledges that under current Applicable Laws the Leased Premises are exempt from imposition of Property Taxes. The term "Property Taxes" means all real estate and other ad valorem taxes and assessments which are levied against the Leased Premises, the Baseball Stadium Complex, or any component thereof, or the Team's property interest in any thereof. The definition of the term Property Taxes shall include all general and special taxes levied by the District Government or any other political subdivision of the District Government, so long as such tax is based upon or measured by the valuation of the Leased Premises, the Baseball Stadium Complex, or any component thereof, or the Team's property interest in any thereof. If, by reason of the exemption of the Leased Premises, the Baseball Stadium Complex, or any component thereof from the assessment of Property Taxes or otherwise, there is imposed on the Team any tax in lieu of Property Taxes, such as a tax on the Team's rights under this Agreement in the nature of a leasehold, usage or occupancy tax, such tax shall also be included in Property Taxes. If at any time during the Term the method of taxation then prevailing shall be altered so that any new tax or assessment shall be imposed in place of or partly in place of any Property Taxes, or contemplated increase therein, which tax or assessment shall be measured by or be based in whole or in part upon the value of the Leased Premises, the Baseball Stadium Complex or any component thereof, or the Team's property interest in any thereof, such taxes or assessments, to the extent so measured or based, shall be included in Property Taxes. Property Taxes do not include the District of Columbia Recordation Tax described in D.C. Code Section 42-1103(a)(1)(B)(i) as amended from time to time. The Commission agrees to pay when due all Property Taxes which are levied or payable during the Term and to indemnify, defend and hold the Team harmless from and against all such Property Taxes.

7.2. Targeted Taxes

If any Targeted Taxes shall be imposed or enabled by the District Government or the Commission, the Team shall be entitled to deduct the amount of any Targeted Taxes that are paid by the Team (or others whose relationship to the Team or the Leased Premises gave rise to

the tax) from the amount of Rent otherwise payable by the Team under this Agreement. To the extent the deduction from Rent is in respect of Targeted Taxes paid by someone other than by the Team, the Team shall deposit the applicable amount into an escrow account that may be disbursed only to the Person(s) who paid Targeted Taxes or if unclaimed for such purpose after five years, then paid to the Commission. Unless and until the amount of any paid Targeted Taxes is recouped in full through Rent offsets or direct payment by the Commission, the Commission shall lose its rights (i) to use the Leased Premises for Commission Events under Section 8.2; (ii) to use the Commission's Suites and receive Tickets under Sections 8.1(ii) and 8.4; and (iii) to any payments under Section 8.6.

7.3. Payment of Certain Taxes

Upon recordation of this Agreement or any memorandum thereof, the Commission shall pay the District of Columbia Real Estate Transfer Tax, if any, payable in connection with such recordation, and the Team shall pay, or shall cause its permitted assignee to pay, all other costs pertaining to such recordation, including, without limitation, the District of Columbia Real Estate Recordation Tax and other costs of recording of this Agreement. The Team shall annually deliver to the Commission a certificate that it has paid all taxes lawfully levied upon it or its properties by the District Government.

ARTICLE 8

RIGHTS OF COMMISSION

8.1. License of Space

Subject to the terms of this Agreement, the Team hereby grants the Commission: (i) an irrevocable license to use the Leased Premises (other than Reserved Team Spaces) for Commission Events; (ii) an irrevocable license to use the Commission's Suites for the events for which the Commission has the Commission's Suite Tickets in accordance with Section 8.4; and (iii) an irrevocable license to use Commission Additions subject to Applicable Laws and applicable land use restrictions of record.

8.2. Commission Events

The Commission shall have the right to use the Leased Premises (other than Reserved Team Spaces) and related Separate Property for up to 18 calendar days per Lease Year during the first five Lease Years and from 12 to 18 days per Lease Year thereafter ("Commission Event Days"), for amateur athletic, public service or other events not including professional baseball games (each, a "Commission Event" and collectively, "Commission Events"), subject to the following terms and conditions:

(a) Two days may be used for the preparation and set-up for Commission Events, and one day may be used for post-event removal of temporary facilities and materials and for general clean-up without, in either case, being counted as Commission Event Days. Any additional whole or partial days used for such purposes shall count as Commission Event Days.

(b) At least six months prior to the commencement of the 6th, 11th, 16th, 21st, 26th and 31st (if applicable) Lease Years, the Team and the Commission shall meet to determine whether the number of Commission Event Days per Lease Year for the next five Lease Years shall be decreased from 18 days to a lesser number not less than 12 days. The decision shall take into account the experience of recent years as to the impact of Commission Events on the Team's Permitted Uses and on Stadium Revenues. No more than eight Commission Event Days shall be during the Season in any Lease Year in which 17 or 18 Commission Event Days are available. No more than seven Commission Event Days shall be during the Season in any Lease Year in which 14, 15 or 16 Commission Event Days are available. No more than six Commission Event Days shall be during the Season in any Lease Year in which 12 or 13 Commission Event Days are available.

(c) The Commission shall give written notice to the Team of the dates to be selected not less than 10 days prior to contractual commitment of a Commission Event and not less than 30 days prior to the Commission Event.

(d) None of the Commission Events shall be within five days preceding a scheduled or previously rescheduled Baseball Home Game.

(e) Unless the Team shall otherwise consent in writing, the Commission shall utilize Team personnel or the Team's independent contractors, as applicable, to perform all ticketing services, food and beverage services, merchandising services, cleaning services, security services, usher and ticket taker services, parking, Stadium Field preparation and repair services, medical services, stadium operations, and other customary day-of-event services. Only Team personnel or Team selected independent contractors may operate the A/V Facilities and the ticket offices. The Commission and the Team shall consult in advance of the Commission Event regarding appropriate staffing levels given the nature of the Commission Event and the expected attendance.

(f) The Commission shall bear all costs and expenses of the Commission Event, including, without limitation, the cost of utilities and reimbursement to the Team for costs reasonably incurred by the Team for the provision of services under clause (d) above. To the extent the Team provides such services directly, it shall do so at its cost without mark-up for administration, profit or overhead charges. To the extent the services are provided by the Team's independent contractors, the Team shall use reasonable best efforts to cause the independent contractors to price the services comparably (or as nearly so as reasonably practical given the differing nature of the events) to the pricing basis used for Baseball Events. The Team shall invoice the Commission within ten Business Days following the Commission Event with appropriate supporting documentation, and the invoice shall be paid by the Commission within five Business Days after the date of invoice.

(g) The Commission shall provide reasonable and customary public safety and security during Commission Event Days.

(h) The Team, at its expense, may have a reasonable number of its personnel on premises on Commission Event Days.

(i) The Commission shall indemnify the Team and the Team Indemnitees and hold them harmless from and against all liabilities, damages, obligations, losses and expenses arising out of such usage except to the extent caused by the negligence or intentional misconduct of the Team or the Team's Indemnitees or any Person attending the Commission Event at the invitation of the Team.

(j) The proposed usage shall not include the infield portion of the Stadium Field unless the usage is for a baseball game.

(k) The Commission, at its sole cost and expense, shall return the Leased Premises to the Team in the same or better condition than existed prior to the usage.

(l) The Team may reject any proposed usage by the Commission if: (i) the Team reasonably believes the usage presents an unacceptable risk of damage to the Stadium Field that cannot be repaired before the next scheduled or previously rescheduled Baseball Home Game; (ii) the usage would violate Baseball Rules and Regulations; (iii) a Commission Default has occurred and is continuing; or (iv) the promotional sponsorship connected with the usage, in the opinion of the Team, is incompatible with any major sponsorships or other exclusive advertising or promotional arrangements connected with the Team or the Baseball Stadium. If the Team rejects a proposed usage, it shall provide the Commission with a reasonably detailed written explanation within five Business Days after the Team's receipt of the written request of the Commission for the proposed usage. If the Team fails to reject with a reasonably detailed written explanation within such time period, it shall be deemed to have waived its right to reject in the particular instance.

8.3. Commission's Promotional and Revenue Rights

Subject to Applicable Laws, the content limitations in Section 9.4, and the provisions of this Section 8.3, the Commission may, at its expense, utilize temporary advertising in the form of banners, billboards, portable flip boards and other static or portable media placed in or on the Baseball Stadium Complex for Commission Events, all of which must be removed following the Commission Event. The Commission may not alter or cover any signage or advertising that had been placed in or on the Baseball Stadium Complex by the Team for Baseball Events, and shall not be entitled to share in any revenues derived by the Team in respect of such signage or advertising. The temporary advertising permitted under this Section 8.3 shall not include advertising of companies, enterprises, products or services in six industry groups. Initially the six industry groups are: (i) soft drinks (including water and isotonic); (ii) beer; (iii) consumer electronics; (iv) telecommunications including wireless communications; (v) financial services; and (vi) the industry group of the current principal naming sponsor for the Baseball Stadium Complex. Upon not less than four month's written notice prior to the commencement of any Lease Year, the Team may change any or all of the six industry groups. If the Team fails to make a change upon proper notice, the six industry groups previously in effect shall remain in effect for another Lease Year. The Commission shall be entitled to all net revenues generated

from or by reason of Commission Events including but not limited to: the net proceeds from the sale of tickets for admission to Commission Events; net revenues derived from the sale of rights to televise, broadcast, transmit, record, advertise or promote the Commission Events; all proceeds from the sale at or from the Leased Premises (other than from Reserved Team Spaces) on the day of a Commission Event of concessions, memorabilia, souvenirs or other products and services; except as otherwise provided in this Section 8.3, all net marketing, advertising and promotional revenues derived from or arising out of the Commission Events; all net proceeds from sub-licensees of the Leased Premises on Commission Event Days; and all net revenues from the sale of parking or rights to parking on the Leased Premises on Commission Event Days.

8.4. Tickets for Commission

Subject to Applicable Laws, the Commission shall be provided, at no cost to the Commission: (i) the use of the Commission's Suites for all Baseball Events at the Baseball Stadium; (ii) in the case of Regular Season Baseball Home Games, the related Commission's Suite Tickets and parking, plus 25 additional box seat Tickets in the Baseball Stadium in mutually agreed locations "on the infield"; and (iii) in the case of Special Events, the use of the Commission's Suites together with the related Commission's Suite Tickets (to the extent Commission's Suite Tickets are available to the Team on a complimentary basis from the promoter of the Special Event) and related parking. In the case of any Post Season Game or All-Star Game, the Commission shall have the right to purchase (with no Seat License charge or cost) the Commission's Suites Tickets and the 25 additional box seat Tickets and related parking, and in no event shall the Commission be treated less favorably with respect to the allocation of such Ticket purchase rights or the price of the Tickets than paid holders of Suite or box seat season Tickets in the Baseball Stadium. In the case of Special Events for which the Team is unable to obtain complimentary Commission's Suite Tickets, the Commission will have the right to purchase Tickets for the Commission's Suite and related parking on the same basis as any other Suite owner is permitted to purchase Suite Tickets and related parking.

8.5. Community Benefit Obligations

The Team acknowledges a civic responsibility to promote and contribute to charitable, educational and community organizations and other public works in the District of Columbia. The Team covenants and commits to develop and deliver a strong and substantial community benefits package that will take into account, *inter alia*, best practices of Major League Baseball clubs and that will include the following:

(a) The Team shall maintain, fund, and vigorously promote the Washington Nationals Foundation, a District of Columbia nonprofit corporation (the "Team Foundation"), primarily for the benefit of youth and other residents of the District of Columbia. The Team shall encourage the Team Foundation to include among its goals a focus on youth education and recreation in the District of Columbia, Anacostia river restoration, and youth health clinics in the District of Columbia. The Chairman of the Commission shall be a member of the board of directors of the Team Foundation.

(b) The Team shall endeavor to maximize benefits for (i) youth and other residents of the District of Columbia ~~from~~, and (ii) rebuilding youth baseball infrastructure through Major League Baseball's various affiliated charitable organizations and programs such as: Major League Baseball Charities, Reviving Baseball in Inner Cities, Baseball Tomorrow Fund, Join the Major Leagues @ Your Library, Breaking Barriers, Baseball Assistance Team, Jackie Robinson Foundation, and Commissioner's Initiative for Kids. The rebuilding of youth baseball infrastructure in the District of Columbia includes the renovation of baseball fields, support for baseball clinics for players, coaches and umpires, and after school programs, and provision of baseball equipment and uniforms. The Team will also work with the Commission and other charitable organizations to develop a dedicated baseball training and recreation facility in the District of Columbia that will host baseball oriented, recreation, training and education programs on a year-round basis.

(c) The Team shall request and encourage its advertisers and sponsors to contribute to the Team Foundation to benefit youth and other residents of the District of Columbia.

(d) The Team shall request and encourage its players and other Team personnel to contribute financially and through personal appearances and other means to the Team Foundation or directly to other organizations that benefit youth and other residents of the District of Columbia. The Team will work with its players, coaches and senior management to make at least 50 personal public appearances (counting no more than three appearances per event) per Season/year in the ~~greater~~ Washington D.C. metropolitan area in support of education, youth sports, or other public service activities.

(e) The Team shall provide attractive and meaningful programs designed to keep Major League Baseball games affordable for youth in the District of Columbia. During each Lease Year the Team shall (i) make available at least 250,000 Regular Season Tickets priced per Ticket at no more than 75% of the full price at which such Tickets are offered to the general public, and (ii) distribute at least ~~8,000~~10,000 Regular Season Tickets for free each year to appropriate District of Columbia charities that will make such Tickets available to underprivileged youth accompanied by adult mentors.

(f) The Commission shall have the right to request the Team, from time to time, to designate persons to throw out ceremonial first pitches at Baseball Home Games which the Team shall duly consider based on whether the request would, in the Team's judgment, interfere with the Team's marketing and promotional opportunities or adversely affect the Team's interests.

(g) The Team shall take affirmative steps to: (i) ~~promote the employment of~~recruit residents of the District of Columbia infor employment at all levels of the Team's operations within the District of Columbia; and (ii) afford local, small and disadvantaged businesses in the District of Columbia an equal opportunity to compete for business for the supply of goods and services to the Team.

(b) The Team shall comply with Major League Baseball's Diverse Business Partners Program.

8.6. Payment for Change in Control

Upon either a sale of a Control Interest in the Team or a sale of the Team's Franchise prior to April 1, 2010 (excluding the initial sale of the Control Interest by the current owner of the Team or of the Franchise by the Team while the current owner of the Team owns the Team), the Team will or will cause the seller to pay to the Commission an amount equal to: (i) in the case of a sale of a Control Interest in the Team, 15% of the excess, if any, of the sale price over the seller's total investment in the interest being sold; or (ii) in the case of a sale of the Team's Franchise, 15% of the excess, if any, of the sales price less any cumulative net operating losses over the Team's acquisition price for the Franchise.

8.7. Commission's Audit Right

The Commission shall have the right, upon at least 10 days' prior written notice to the Team, to review and audit all books, records and data of the Team which relate to any computation or report contemplated by this Agreement or are necessary to review to determine the Team's compliance with the terms of this Agreement; provided, however, the Commission may not exercise this right more often than twice per Calendar Year. Such books records and data shall be retained by the Team for at least three years after the end of the Team's fiscal year to which they relate. The review and audit may be performed by the Commission's internal staff or by advisors or an independent certified public accounting firm. The Commission shall bear the cost of the review and audit. Any such review or audit must be conducted in such a manner as to preserve all proprietary and confidential information. The results from any such audit shall be shared with the Team.

8.8. Inspection and Entry Rights

The Commission shall have the following rights of access to all areas of the Leased Premises for itself or as may be exercised on its behalf by its authorized agents:

(a) During customary business hours from time to time upon reasonable advance written notice for the purposes of: (i) performing routine inspections in connection with the development and construction of improvements on the Leased Premises; (ii) the monitoring of the Team's compliance with its obligations under this Agreement; (iii) evaluating, preparing for, or consummating any potential Permitted Mortgage; or (iv) evaluating, preparing for, and conducting Commission Events;

(b) Without prior notice, at any time during the continuance of a Team Default;

(c) Upon reasonable advance written notice, during the three years immediately preceding the Expiration Date; and

(d) If, during customary business hours, admission to the Leased Premises for the foregoing purposes cannot be obtained, or if at any time by reason of an emergency

condition an entry shall be deemed necessary for the protection of the Leased Premises or improvements on the Leased Premises, whether for the benefit of the Team or not, the Commission, or the Commission's agents or representatives, may (after exercising reasonable efforts to provide advance notice to the Team, which in emergencies may be by telephone, email or any other advance method convenient and available under the circumstances) may enter the Leased Premises or improvements on the Leased Premises and accomplish any of the foregoing purposes described in this Section 8.8.

The Commission shall afford the Team a reasonable opportunity to have an employee or agent present during any such inspection. To facilitate inspection, the Team shall arrange for two persons with master keys and combinations for combination locks to be on call and conveniently available to the Commission at all times. Such persons and their telephone numbers shall be identified in writing to the Commission. The provisions contained in this Section 8.8 are not intended to create or increase, and are not to be construed as creating or increasing, any obligations on the Commission's part under this Agreement and are subject at all times to the rights of subtenant leases and Rental/Promotion Agreements. Except as otherwise provided in this Agreement, the Team waives any claim that it may have against the Commission or Commission Indemnitees arising out of such entry upon the Leased Premises and such inspection, other than claims arising out of the negligence or willful misconduct of the Commission or Commission Indemnitees. Any inspection of the improvements on the Leased Premises or access of the Leased Premises by the Commission under this Agreement shall not be deemed an approval, warranty or other certification as to the compliance of the improvements with Applicable Laws including, without limitation, building engineering and structural design codes. Neither the Commission nor its agents, contractors, and consultants shall be responsible for any construction means, methods, sequences or procedures or for safety precautions and programs or responsible for the Team's or any contractor's failure to carry out work in accordance with their contract(s) with the Team. The Commission shall not interfere with Baseball Events and shall use reasonable efforts to minimize disruption or inconvenience to the Team in connection with its exercise of any of its rights under this Section 8.8. The Commission and its agents, contractors, and representatives shall have the authority to take such materials and equipment onto the Leased Premises as may be reasonably necessary for accomplishing the purposes set forth in this Section 8.8 and otherwise as may be required to perform its obligations under this Agreement or any other agreement between the Parties, but, except in cases of emergency or after any Team Default which remains uncured, may not leave such materials and equipment on site without having obtained the Team's prior written consent. The Team shall afford the Commission and its authorized representatives, promptly upon written request to the Team during the continuance of a Team Default, the right to enter any part of the Leased Premises under sublease, license or other occupancy agreement with a third party to the same extent that the Team as landlord, licensor, or grantor has such right under such agreements, for the purposes and on the conditions set forth in this Section 8.8.

8.9. Commission Regulations

The Commission has rulemaking authority and may from time to time, in accordance with Applicable Laws, promulgate rules determined by the Commission to be necessary for public health, safety or order. In promulgating rules, the Commission shall take into account the costs of compliance in relationship to the public benefits sought to be achieved.

To the extent that the Commission's lawful rules are more stringent on the Team than the provisions of this Agreement, the Team, like any regulated party, would be subject to regulatory sanction for noncompliance; provided, however, that failure to comply with the more stringent rules will not be deemed to be a breach of any covenant or condition of this Agreement.

ARTICLE 9

PROMOTIONAL RIGHTS

9.1. Promotional Rights

The term "Promotional Rights" means and includes any and all of the following rights as applied to, arising out of or connected in any way with Major League Baseball, the Team, the Proprietary Indicia, the Franchise, the Permitted Uses, the Leased Premises, or the Baseball Stadium Complex, subject, however, to the limitations set forth in Section 9.4:

(a) rights of exploitation, in any format now known or later developed, through advertising, promotions, marketing, merchandising, licensing, franchising, sponsorship, publications, hospitality events or through any other type of commercial or promotional means, including but not limited to advertising by interior, exterior or perimeter signage, through printed matter such as programs, posters, letterhead, press releases, newsletters, tickets, photographs, franchising, concessions, displays, sampling, premiums and selling rights of any nature, the right to organize and conduct promotional competitions, to give prizes, awards, giveaways, and to conscript official music, video or other related data or information;

(b) media rights, in any format now known or later developed, including but not limited to the right to broadcast, transmit, display and record images and recordings, in any and all media now known or hereafter devised, including but not limited to radio, television, cable, satellite and internet;

(c) rights to name the Baseball Stadium Complex or any portion of it;

(d) rights to create, use, promote and commercialize any representation of the Baseball Stadium Complex, in whole or in part, or the name or contents thereof, for licensing, promotional, publicity, general advertising and other suitable purposes, including but not limited to the creation, use, promotion and commercialization of text, data, images, photographs, illustrations, animation and graphics, video or audio segments of any nature, in any media or embodiment, now known or later developed; and

(e) all other rights of marketing and advertising exploitation, in any format now known or later developed, and associated promotional opportunities.

9.2. Team's Promotional Rights

As among the Team, the Commission and the District Government, except as provided in Section 8.3, the Team owns the Promotional Rights exclusively and on a worldwide

base, including but not limited to the right to exercise and exploit the Promotional Rights in any and all media, now known or hereafter invented, and for any and all purposes, products and services throughout and for all countries and territories of the world. Prior to naming the Baseball Stadium Complex or any substantial portion of it, the Team shall notify the Chairman and Executive Director of the Commission in writing of the proposed name so as to allow said officials three Business Days to evaluate, under a reasonable confidentiality agreement with the Team, whether the proposed name violates Section 9.4. The Team has no right to exploit Promotional Rights in respect of the Leased Premises after the Expiration Date or earlier termination of this Agreement pursuant to Section 3.4, except for incidental historical references to and depictions of the Baseball Stadium as the Team's home stadium. Except as provided in Section 8.3, neither the Commission nor the District Government shall use, sell, assign, commercialize or otherwise exploit the Promotional Rights without the written permission of the Team which may be given or withheld in the Team's absolute discretion; provided that the Commission shall at all times during the term of any naming agreement be given the right to use the name of the Baseball Stadium or the Baseball Stadium Complex on its stationery, or as reasonably required elsewhere in furtherance of the Commission's business operations as contemplated by this Agreement. Any right granted by the Team to a third Person to name the Baseball Stadium shall in no event survive the expiration of the Term hereof without the prior written consent of the Commission, which consent may be withheld, delayed, or conditioned in the Commission's absolute discretion.

9.3. Proprietary Indicia

As among the Team, the Commission and the District Government, all Proprietary Indicia are solely and exclusively the property of the Team, the MLB Entities or their respective assigns. As among the Team, the Commission and the District Government, the creation, use, compilation, collection, arrangement, assembly, display, promotion, licensing or other promotion or exploitation of Proprietary Indicia are rights exclusively belonging to the Team or the MLB Entities or their respective assigns. Use of the Proprietary Indicia by the Commission or District Government is strictly prohibited without the prior written permission of the Team which may be given or withheld in the Team's absolute discretion; provided, however, that in promoting the Baseball Stadium or the Baseball Stadium Complex in accordance with Section 8.3, the Commission is authorized, upon prior written notice to the Team, to use Proprietary Indicia (in accordance with the Team's reasonable trademark protection guidelines) to indicate that the Franchise is a home team at the Baseball Stadium, so long as (i) the dominant element of the promotion of the Baseball Stadium is not Proprietary Indicia, and (ii) the promotion does not include a product or service of a third party.

9.4. Content Limitations

The Team shall not permit on or within the Baseball Stadium Complex any advertising, sponsorship or other promotional activities, signage, displays, décor, or performances, that, in the reasonable judgment of the Commission, in content, format or manner of display: (i) are in conflict with standards of public decency, including, without limitation, the marketing, sale or use of tobacco products, adult entertainment, or other activities or products the promotion of which would be incompatible with a family friendly environment; (ii) directly compete with the interests of the District in promotion of the District Lottery or other gambling

activities licensed or operated by the DC Lottery and Charitable Games Control Board; (iii) violate any Applicable Law of general application; or (iv) pose an unreasonable risk to public safety or security.

9.5. Commission Logo

Upon request by the Commission, to the extent practicable, the Team shall cause the Commission's official logo to be displayed prominently in visual advertisements, solicitations, or other announcements of Baseball Home Games (including Ticket stubs) in forms to be reasonably approved by the Commission prior to any such display.

9.6. Team Name

The name of the Franchise shall include the name "Washington" throughout the Term.

9.7. Hall of Fame Acknowledgment

The Team will acknowledge and promote in a manner approved by the Commission the RFK Stadium Hall of Stars. The acknowledgment shall include promotion through (i) mutually agreed visual advertisements within the Baseball Stadium, (ii) in Home Baseball Game programs, and (iii) on the Franchise's official website.

ARTICLE 10

[ARTICLE 10 IS INTENTIONALLY OMITTED.]

ARTICLE 11

INSURANCE

11.1. Waiver of Subrogation

The Commission and the Team agree to have all property damage insurance and liability insurance required to be carried under this Agreement by either of them endorsed with a clause providing that any release from liability of, or waiver of claim for, recovery from the other party entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of said policy or the right of the insured to recover thereunder and providing further that the insurer waives all rights of subrogation which such insurer might have against the other Party. Without limiting any release or waiver of liability or recovery set forth elsewhere in this Agreement, each Party waives all claims for recovery from the other Party for any loss or damage to any of its property insured under valid and collectible insurance policies to the extent of any recovery collectible under such insurance policies. Any release or any waiver of claims

shall not be operative, nor shall the foregoing endorsements be required, in any case where the effect of such release or waiver is to invalidate insurance coverage or invalidate the right of the insured to recover thereunder or to increase the cost thereof, provided that in the case of increased cost the other Party shall have the right, within 10 days following written notice, to pay such increased cost keeping such release or waiver in full force and effect.

11.2. Team's Insurance

Subject to availability on commercially reasonable terms, the Team shall carry and maintain the following insurance from financially sound carriers which possess an A- (Excellent) rating or better and a minimum Class VIII financial size category as listed at the time of issuance by A.M. Best Insurance Reports ("Best's Reports"), with the aforesaid rating classifications to be adjusted if and to the extent the Best's Reports adjusts its ratings categories, in coverage amounts, that except as specified below, shall be no less than is customarily maintained by other Major League Baseball clubs:

(a) Commercial general liability insurance against claims for bodily injury, death or property damage arising out of the operations of the Baseball Stadium Complex under this Agreement. Such insurance shall be written on an occurrence basis and include coverage for bodily injury, contractual liability, advertising and personal injury liability, independent contractors' liability, premises/operations liability, liquor liability and products/completed operations liability, and shall be in broad form for property damage and shall contain no exclusion for liability for injury to participants other than for claims by a participant against another participant. The limits of such liability insurance, which may be increased from time to time as determined by the reasonable agreement of the Commission and the Team, shall not be less than the greater of (i) \$75,000,000 or (ii) such other amount as may be the median coverage of all Major League Baseball clubs that participate in an insurance program offered to clubs through Major League Baseball, per occurrence and in the aggregate for death, bodily injuries and property damage. Such insurance shall not be specific only to the Baseball Stadium Complex, but shall also pertain to the Team operations in general, league wide. The insurance coverage required by this Section 11.2 may be provided through any combination of primary, excess and/or umbrella liability policies so long as the policy or policies otherwise comply with all requirements set forth in this Section 11.2.

(b) Automobile liability insurance.

(c) Property insurance on an all risk basis, including extra expense terrorism, flood, earthquake, off-premises utility interruption, building ordinance, and boiler and machinery coverage, for the Baseball Stadium Complex and all improvements at any time situated upon or forming part of the Baseball Stadium Complex, all contents, including fixtures, machinery, equipment, furniture and furnishings, in the Baseball Stadium Complex to the extent of one hundred percent of their replacement cost. Such coverage shall, be on an agreed amount and full replacement cost basis. The Team and the Commission shall be named as the insureds as their interests may appear and all proceeds of insurance shall be payable to the Team. The full replacement value of improvements shall be designated annually by mutual agreement between the

Commission and the Team. If, upon the occurrence of an insured event, funds are withdrawn from the Capital Reserve Fund or the Contingency Reserve Fund to pay for such damage, insurance proceeds of an equal amount for damage to such insured property shall, on a first priority basis, be deposited when received into the Capital Reserve Fund or the Contingency Reserve Fund as applicable.

(d) Business interruption insurance coverage protecting the District Government or the Team for its losses attributed to physical loss or damage to the Baseball Stadium Complex.

(e) Workers' compensation insurance coverage or a qualified self insured program complying with the statutory limits of the District of Columbia and including employers liability coverage.

(f) Umbrella liability coverage.

The Team shall deliver appropriate evidence of such coverage and an invoice for the insurance described in clause (c) above to the Commission at least 30 days prior to the Commencement Date and shall thereafter deliver a copy of any renewals and invoices for such insurance at least 30 days prior to the expiration date of any such policy during the Term of this Agreement. The Commission shall pay such invoice within 10 days of receipt. The Team shall not cancel such insurance policies or waive or amend any material provision of the same without the prior written consent of the Commission. The Team shall also submit to the Commission an endorsement to its liability insurance policies naming the Commission, the Commission Indemnitees, and, if required, the Commission's lenders, as additional insureds. If the coverage described above is not available on a commercially reasonable basis, the Team shall in lieu thereof keep and maintain in effect such coverage as is available on a commercially reasonable basis that most nearly approximates the terms described above, and in all events, is no less than is customarily maintained by other Major League Baseball clubs.

11.3. Commission's Insurance

The Commission shall, at no cost or expense to the Team, provide a certificate of insurance as detailed below providing insurance coverage during its occupancy on Commission Event Days and covering any ongoing operations within or resulting from the Baseball Stadium Complex during each Lease Year. Insurance shall be placed with carriers which possess an A- (Excellent) rating or better, and a minimum Class VIII financial size category as listed at the time of issuance by Best's Reports, such rating classifications to be adjusted if and to the extent the Best's Reports adjusts its rating categories. Coverage shall include:

(a) Commercial general liability insurance for bodily injury or property damage occurring or arising out of the operations of the Baseball Stadium Complex under this Agreement. Such insurance shall be written on an occurrence basis and shall include coverage for contractual liability, advertising and personal injury liability, independent contractors' liability, premises/operations liability, products/completed operations liability, liquor liability which shall be in broad form for property damage and shall contain no exclusion for liability for injury to participants. The limits of such

liability insurance, which may be increased from time to time as determined by the reasonable agreement of the Commission and the Team, shall not be less than \$75,000,000 per occurrence and in the aggregate limits for damages under said policies. The insurance coverage required by this Section 11.3(a) may be provided through any combination of primary, excess and/or umbrella liability policies so long as the policy or policies otherwise comply with all requirements set forth in this Section 11.3(a).

(b) Property insurance covering personal property of the Commission or its employees located at the Baseball Stadium Complex.

(c) Business interruptions and loss of rent coverage protecting the Commission or the District Government for its losses attributed to physical loss or damage to the Baseball Stadium Complex.

(d) Workers' Compensation insurance covering the Commission's employees, including employers liability coverage.

(e) Automobile liability insurance.

(f) Umbrella liability as necessary to obtain the commercial general liability employers liability and automobile liability limits described above.

The Team and the Team Indemnitees shall be added as additional insureds as their interests may appear. The Commission shall not cancel such insurance policy or waive or amend any material provision of the same without the prior written consent of the Team.

11.4. Indemnification by the Commission

Except as otherwise provided in this Agreement, the Commission shall indemnify the Team and the Team Indemnitees, as their interest may appear, and hold them harmless from and against all claims, fines, claim costs, charges and expenses, liabilities, suits, obligations, demands, actions, losses settlements and judgments recovered from, incurred by or asserted against the Team or any Team Indemnitee, including attorneys' fees incurred to defend such claims and/or to enforce this indemnity, on account of injury or damage to person or property to the extent that such damage or injury may be incident to, arise out of, or be caused by (i) a breach of this Agreement by the Commission, (ii) any negligence or willful misconduct on the part of Commission or any of its agents, servants, employees, contractors, licensees, or invitees (excluding licensees or invitees of the Team), to the extent related to the Leased Premises or operations at the Leased Premises, (iii) any violation of Environmental Laws in respect of the Leased Premises existing as of the Commencement Date or thereafter committed by the Commission, whether or not attributable to the presence of Contamination, (iv) any negligence, error, omission or willful misconduct of the "Project Architect", the "Construction Manager" and other "Design and Construction Professionals" (each as defined in the Construction Administration Agreement) or their employees or agents in connection with the design and construction of the "Project" (as defined in the Construction Administration Agreement); and (v) a breach by the Commission of its obligations under the Construction Administration Agreement.

11.5. Indemnification by the Team

Except as otherwise provided in the Agreement, the Team shall indemnify, the Commission and the Commission Indemnitees, as their interests may appear, and hold them harmless from and against all claims, fines, claim costs, charges and expenses, liabilities, suits, obligations, demands, actions, losses, settlements and judgments recovered from or asserted against any of them, including attorneys' fees incurred to defend such claims and/or to enforce this indemnity, on account of injury or damage to any person or property to the extent that any such damage or injury may be incident to, arise out of, or be caused by (i) any breach of this Agreement by the Team, (ii) any use of the Leased Premises by the Team or any of its Affiliates, agents, servants, employees, contractors, patrons, guests, sublicensees, or invitees or of any other Person with the express or implied invitation or permission of the Team (excluding Commission employees or agents performing services required to be performed by the Commission under this Agreement), or (iii) any negligence or willful misconduct on the part of the Team or any of its Affiliates, agents, servants, employees, contractors, patrons, guests, sublicensees, or invitees or of any other person with the express or implied invitation or permission of the Team, to the extent related to the Leased Premises or operations at the Leased Premises.

11.6. Indemnification Procedures

(a) As used in this Section 11.6, the terms listed below shall have the following meanings:

"Claim" shall mean, collectively, any claim, demand, suit, proceeding (judicial or otherwise), settlement or judgment, for or in connection with which any Party is entitled to indemnification as provided in Section 11.4 or 11.5.

"Indemnifying Party" shall mean the Party who is required to provide indemnification as provided in Section 11.4 or 11.5.

"Indemnified Party" shall mean the Party who is entitled to receive indemnification as provided in Section 11.4 or 11.5.

(b) The Indemnified Party shall provide the Indemnifying Party with written notice whenever the Indemnified Party receives notice of a Claim. Such written notice shall be furnished to the Indemnifying Party not later than 20 days after the Indemnified Party receives notice of the Claim or is served with process in connection with the Claim. In the case of service of process of a Claim, the Indemnified Party shall provide its written notice to the Indemnifying Party within such shorter time as may be necessary to give the Indemnifying Party a reasonable opportunity to respond to such service. The Indemnified Party's written notice to the Indemnifying Party of any Claim shall include a statement of such information pertaining to the Claim then in the possession of the Indemnified Party. Any failure or delay of the Indemnified Party to notify the Indemnifying Party as required by this Section 11.6 shall not relieve the Indemnifying Party of its obligation to provide indemnification, unless and to the extent that such failure or delay materially and adversely affects the Indemnifying Party's ability to defend against, settle, or satisfy the Claim.

(c) After receiving notice of a Claim, the Indemnifying Party shall defend the Claim at its own expense, through attorneys, accountants, and others selected by the Indemnifying Party with the reasonable concurrence of the Indemnified Party. The Indemnifying Party shall notify the Indemnified Party in writing of its intent to contest or defend the Claim. Such notice shall be provided not later than twenty (20) days after the Indemnifying Party receives notice of the Claim from the Indemnified Party as provided in Section 11.6(b). If the Indemnifying Party fails to provide the Indemnified Party with written notice of its intention to defend the Claim as required by this Section 11.6(c), the Indemnified Party shall have the right: (a) to authorize attorneys satisfactory to it to represent it in connection with the Claim; and/or (b) to defend, settle or compromise the Claim. If the Indemnified Party exercises either or both of its rights under this Section 11.6(c), it shall be indemnified by the Indemnifying party as required by Section 11.4 or 11.5, to the same extent as if the Indemnifying Party had defended or settled the Claim.

(d) If and so long as the Indemnifying Party is actively contesting or defending a Claim in accordance with Section 11.6(c), the Indemnified Party shall cooperate with the Indemnifying Party and its counsel in such contest or defense, shall, upon the Indemnifying Party's request and expense, join in making any appropriate counterclaim or cross-claim in connection with the Claim, and shall provide such access to the books and records of the Indemnified Party as shall be necessary in connection with such defense or contest.

(e) The Indemnified Party shall have the right at any time to settle, compromise or pay any Claim with or without the consent of the Indemnifying Party, but (i) taking such action without the Indemnifying Party's consent shall be deemed a waiver and nullification by the Indemnified Party of all indemnification obligations that the Indemnifying Party would otherwise have with respect to the Claim under this Section 11.6; and (ii) such settlement or compromise shall not cause the Indemnifying Party to incur any present or future cost, expense, obligation or liability of any kind or nature.

(f) Any Claim may be settled or compromised by the Indemnifying Party without the Indemnified Party's consent, so long as: (i) the Indemnifying Party gives the Indemnified Party reasonable prior written notice of its intention to settle or compromise the Claim; and (ii) such settlement or compromise does not cause the Indemnified Party to incur any present or future cost, expense, obligation or liability of any kind or nature.

(g) If a Claim involves matters partly within and partly outside the scope of the Indemnifying Party's obligation to indemnify as provided in Section 11.4 or 11.5, the attorneys' fees, costs, and expenses of contesting or defending such a Claim shall be allocated between the Indemnifying Party and the Indemnified Party, respectively, to the extent that such fees, costs and expenses are attributable to the portion of matters within or outside the scope of the Indemnifying Party's obligation to indemnify as provided in Section 11.4 or 11.5, as agreed upon in writing by the Parties. If the Parties cannot agree on such allocation, the dispute shall be resolved by Arbitration.

ARTICLE 12

CASUALTY

12.1. Damage or Destruction by Casualty

If the Baseball Stadium Complex shall be damaged by fire or other casualty, then the Team and the Commission shall, but only to the extent of actual insurance proceeds received, proceed to repair and restore the same to substantially the same condition it was in prior to such damage or destruction with all reasonable promptness. The Team may, but shall have no obligation to, expend funds beyond insurance proceeds for such repairs and restoration. During the period (the "Untenantability Period") following such fire or other casualty that the Baseball Stadium Complex cannot be reasonably used for Baseball Home Games, the Team shall play its Baseball Home Games at Robert F. Kennedy Memorial Stadium in Washington, D.C. if available and suitable, and otherwise at any location chosen by it with the approval of Major League Baseball. Within the initial six months of the Untenantability Period, the Commission must notify the Team in writing whether the Baseball Stadium Complex will be restored to substantially the same condition it was in prior to such damage or destruction. The restoration work shall be undertaken using such procedures as the Commission and the Team shall determine by mutual agreement. If the Baseball Stadium Complex is restored and the Untenantability Period is equal to or less than three years, the Team shall retake possession upon the completion of the restoration and shall reaffirm the Expiration Date in writing. If the Untenantability Period is reasonably projected to exceed one year and the Commission determines that the cost of such repair and restoration cannot be paid with proceeds of such insurance together with amounts in the Capital Reserve Fund, the Contingency Reserve Fund and any additional funds that the Team may choose to provide, the Commission may terminate this Agreement by written notice to the Team designating the effective date of termination. If the Untenantability Period exceeds three years, the Team shall have the right to terminate the Term of this Agreement by written notice to the Commission designating the effective date of the termination; provided, however, that if the Untenantability Period ends within 30 days following such date, the termination shall be automatically rescinded.

12.2. Abatement of Basic Rent

During the Untenantability Period: (i) the Team's obligation to pay Basic Rent shall be determined in accordance with Section 4.3; and (ii) the Commission's obligations to make deposits to Capital Reserve Fund and the Contingency Reserve Fund in accordance with Sections 6.3 and 6.4 shall not abate.

ARTICLE 13

EMINENT DOMAIN

13.1. Total Condemnation

If the Baseball Stadium Complex or substantially all of the Baseball Stadium Complex shall be taken by eminent domain or condemnation by any governmental body for any public or private use or purpose, the Term of this Agreement shall terminate upon the earlier of (i) the date when the possession of the portion of the Baseball Stadium Complex so taken shall be required for such use or purpose or (ii) the effective date of the taking. In the event of the foregoing, Basic Rent shall be determined in accordance with Section 4.3.

13.2. Partial Condemnation

If less than all or substantially all of the Baseball Stadium Complex shall be taken or condemned by any competent authority for any public or private use or purpose, and the Commission and the Team mutually determine, within a reasonable period of time after such taking, that the remaining portion of the Baseball Stadium Complex cannot economically and feasibly be used by the Team for Permitted Uses, then this Agreement shall terminate and Basic Rent shall be apportioned as of the date of the termination in accordance with Section 4.3. In the event this Agreement is not so terminated, the Commission and the Team shall, to the extent practical and only to the extent of actual amount of the condemnation award received, restore the Baseball Stadium Complex to a complete architectural unit reasonably suitable for the Permitted Uses, and the Basic Rent and the Team's and the Commission's other obligations hereunder shall not be adjusted.

13.3. Allocation of Award

In the event this Agreement is terminated pursuant to Section 13.1 or Section 13.2, the condemnation award with respect to the Baseball Stadium Complex shall be distributed as follows: (i) first to the Commission, the amount necessary, together with reasonable investment earnings thereon, to provide for the full and final payment and redemption of the Series A Stadium Revenue Bonds at maturity, or, if earlier, the earliest available redemption date; (ii) second, to the Team the amount determined to be just and equitable in the condemnation proceedings; and (iii) third, the balance, if any, to the Commission; provided, however, that if the condemning authority is the District Government or one of its agencies, the distribution shall be 100% to the Team. In the event this Agreement is not so terminated, the amount of any award for or on account of any condemnation shall be used to restore the Baseball Stadium Complex as provided in Section 13.2.

13.4. Temporary Taking

If any right of temporary possession or occupancy of all or any portion of the Baseball Stadium Complex shall be taken which does not materially interfere with the Team's beneficial use of the Baseball Stadium Complex for Permitted Uses, the foregoing provisions of this Article 13 shall be inapplicable thereto and this Agreement shall continue in full force and effect, and the Team shall be entitled to make claim for and recover any award or awards

recoverable in respect of such possession or occupancy, and the Commission shall have no right or claim to any such award or awards. Any taking of the right of possession or occupancy of all or any portion of the Baseball Stadium Complex which materially interferes with the Team's beneficial use of the Baseball Stadium Complex (i) for Permitted Uses, or (ii) which is for a period that is in excess of three Seasons, shall, at the option of the Team, be regarded for purposes of this Agreement as a taking which is not temporary and to which the foregoing provisions of this Article 13 shall be applicable.

ARTICLE 14

ASSIGNMENTS AND MORTGAGES

14.1. Assignments and Mortgages by the Team

Except as provided in this Section 14.1, the Team shall not sell, transfer, assign, sublet, mortgage, pledge or grant a security interest in (collectively "assign") its interest in the Leased Premises, this Agreement or any of its rights under this Agreement without the prior written consent of the Commission. The Team may assign all or any portion of its interest in the Leased Premises, this Agreement or its rights under this Agreement without the consent of the Commission, as follows:

(a) Subject to the provisions of the Non-Relocation Agreement, the Team may assign its interest in the Leased Premises and this Agreement to any Person in connection with a sale or transfer of the Franchise in a transaction approved by Major League Baseball in accordance with Baseball Rules and Regulations, provided that the assignee assumes unconditionally in a writing reasonably acceptable to and for the benefit of the Commission all obligations of the Team under this Agreement and the Non-Relocation Agreement.

(b) The Team may assign any of its Promotional Rights and intellectual property rights to one or more of the MLB Entities, provided that the assignee agrees in writing to comply with Article 9 to the extent applicable to Promotional Rights and intellectual property rights so assigned.

(c) The Team may assign Stadium Revenues.

(d) Subject to the provisions of the Non-Relocation Agreement, the Team may assign any or all of its interest in the Leased Premises or this Agreement pursuant to Permitted Mortgages.

(e) Subject to Sections 2.3 and 9.4, the Team may sell or grant sponsorships, licenses, subleases and similar interests in the ordinary course of the operation of the Baseball Stadium Complex to concessionaires, vendors, advertisers and others for terms that do not extend beyond the Term of this Agreement.

(f) The Team may sell or grant licenses and similar interests in reserved seats, club seats, Suites, and private membership facilities for terms that do not extend beyond the Term of this Agreement.

(g) Subject to Section 2.3(b), the Team may enter into Rental/Promotion Agreements and may assign portions of the Baseball Stadium Complex to others for Permitted Uses; provided, however, that no such Rental/Promotion Agreement or assignment shall relieve the Team of its obligations under this Agreement.

Any assignment by the Team of this Agreement or of rights of the Team under this Agreement shall be subject and subordinate to the rights of the Commission under this Agreement. No assignment of this Agreement or of the rights of the Team under this Agreement shall relieve the Team of any of its obligations to the Commission under this Agreement.

14.2. Assignments and Mortgages by the Commission

Except as provided in this Section 14.2, the Commission shall not sell, transfer, assign, lease, sublease, mortgage, pledge or grant a security interest in (collectively, "assign") its interest in the Leased Premises, this Agreement or any of its rights under this Agreement without the prior written consent of the Team. The Commission may assign all or any portion of its interest in the Leased Premises, this Agreement or its rights under this Agreement without the consent of the Team, as follows:

(a) The Commission may assign all or any portion of its interest in the Leased Premises and this Agreement to the District Government or any agency or instrumentality thereof, provided that (i) the assignee assumes in writing for the benefit of the Team all obligations ofin respect thereof to the Team under this Agreement, and (ii) the assignment shall not relieve the Commission of its obligations under this Agreement.

(b) The Commission may assign the Rent or any other amounts payable to the Commission under this Agreement to the District Government or to secure any or all of the Stadium Revenue Bonds.

(c) The Commission may assign its leasehold interest in the Leased Premises pursuant to Permitted Mortgages.

Any assignment of this Agreement or of rights of the Commission under this Agreement shall be subject and subordinate to the rights of the Team under this Agreement. No assignment of this Agreement or of the rights of the Commission under this Agreement shall relieve the Commission of any of its obligations to the Team under this Agreement.

ARTICLE 15

REPRESENTATIONS AND WARRANTIES

15.1. Representations of the Commission

As an inducement to the Team to enter into this Agreement, the Commission represents and warrants to the Team as follows:

(a) The Commission is a corporate instrumentality of the District Government duly created and validly existing pursuant to the laws of the District of Columbia.

(b) The Commission has full right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Commission and, when duly executed and delivered by the Team, shall constitute a legal, valid and binding obligation of the Commission enforceable against the Commission in accordance with its terms, except that (i) enforceability may be limited by the application of bankruptcy, insolvency, or similar laws of general applicability relating to the enforcement of creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought.

(d) The execution, delivery and performance of this Agreement will not conflict with or constitute a breach of or default under the Act or any commitment, agreement or instrument to which the Commission is a party or by which it or any of its properties or assets are bound.

(e) There is no litigation, administrative proceeding or investigation pending (nor, to the knowledge of the Commission, is any such action threatened) which in any way adversely affects, contests, questions or seeks to restrain or enjoin any of the following: (i) the Act or the Commission's enabling legislation; (ii) any of the proceedings or actions taken by the Commission leading up to the execution, delivery or performance of this Agreement; (iii) the legal existence of the Commission; (iv) any corporate boundary or geographic jurisdiction of the Commission which may affect the Baseball Stadium Complex; (v) the right of the Chairman or any member of the Commission's governing body to hold his or her office; or (vi) the issuance or validity of the Stadium Revenue Bonds.

(f) Under current Applicable Laws: (i) the Baseball Stadium Site and the Baseball Stadium Complex would be subject to no ad valorem taxes of any nature; (ii) the Team's sub-leasehold interest in the Baseball Stadium Site and leasehold interest in the Baseball Stadium Complex would be subject to no ad valorem taxes of any nature; (iii) the purchase of construction materials by the Commission for the Baseball Stadium Complex would be subject to no District Government sales tax, use tax or excise tax of any nature; (iv) the sale or purchase of tickets or other rights to the Baseball Stadium would be subject to no District Government sales, use or excise tax or surcharge of any

nature except the current 5.75% general sales tax and the 4.25% incremental sales tax; and (v) the sale, purchase, lease or license of Suites would be subject to no District Government sales, use or excise tax or surcharge of any nature except the current 5.75% general sales tax and the 4.25% incremental sales tax.

15.2. Representations of the Team

As an inducement to the Commission to enter into this Agreement, the Team represents and warrants to the Commission as follows:

(a) The Team is a limited partnership duly created and validly existing pursuant to the laws of Delaware and is qualified to do business in every jurisdiction where its ownership of property or its conduct of business operations gives rise to the need for such qualification, except to the extent that the failure so to qualify in any particular jurisdiction could not reasonably be expected to result in a material adverse effect on the business or financial condition of the Team or the ability of the Team to perform its obligations under this Agreement. True, correct and complete copies of the Certificate of Limited Partnership and the Agreement of Limited Partnership of the Team, and the articles of incorporation and bylaws of the general partner of the Team have been certified and delivered to the Commission on or before the date of this Agreement.

(b) The Team has full right, power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder.

(c) This Agreement has been duly executed and delivered by the Team and, when duly executed and delivered by the Commission, shall constitute a legal, valid and binding obligation of the Team enforceable against the Team in accordance with its terms, except that (i) enforceability may be limited by the application of bankruptcy, insolvency, or similar laws of general applicability relating to the enforcement of creditors' rights generally, and (ii) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.

(d) The execution, delivery and performance of this Agreement will not conflict with or constitute a breach of or default under any commitment, agreement or instrument to which the Team is a party or by which it or any of its properties or assets are bound, constitute a violation of Baseball Rules and Regulations.

(e) Except as previously disclosed in writing to the Commission, there is no litigation, administrative proceeding or investigation pending (nor, to the knowledge of the Team, is any such action threatened) which in any way adversely affects, contests, questions or seeks to restrain or enjoin any of the following: (i) the Team's participation in this Agreement; (ii) any of the limited partnership proceedings or actions taken leading up to the execution, delivery or performance of this Agreement; (iii) the legal existence of the Team; or (iv) the Team's ownership of the Franchise.

(f) Except as previously disclosed in writing to the Commission, no action, consent or approval of, or registration or filing with or other action by, any court, governmental authority or other third party is or will be required in connection with the execution and delivery by the Team of this Agreement or the assumption and performance by the Team of its obligations hereunder, other than the issuance of governmental permits and licenses expected in the ordinary course of business.

(g) The Franchise is a valid Major League Baseball franchise, and the Team is in compliance in all material respects with Baseball Rules and Regulations.

ARTICLE 16

DEFAULTS AND REMEDIES

16.1. Team Default

Each of the following shall be an event of default by the Team ("Team Default") under this Agreement:

- (a) the Team shall fail to pay Basic Rent when due;
- (b) the Team shall fail to pay to the Commission amounts, other than Basic Rent, due to the Commission under this Agreement within 30 days after written notice thereof by the Commission to the Team specifying the failure and demanding that it be corrected;
- (c) the Team shall admit in writing its inability to pay its debts as they mature or shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise;
- (d) the Team shall be adjudicated bankrupt or insolvent by any court;
- (e) involuntary proceedings under any bankruptcy law, insolvency act or similar law for the relief of debtors shall be instituted against the Team, or a receiver or trustee shall be appointed for all or substantially all of the property of the Team, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 90 days after the institution of appointment;
- (f) the Team shall make an assignment for the benefit of creditors or the Team shall petition for composition of debts under any law authorizing the composition of debts or reorganization of the Team;
- (g) the Franchise shall cease to be a validly existing Major League Baseball franchise under the Baseball Rules and Regulations;

(h) the Team shall fail to comply with any provision of the Non-Relocation Agreement;

(i) the levy upon or other execution or the attachment by legal process of the Team's leasehold interest in the Leased Premises or the lawful filing or creation of a lien in respect of any such interest (unless the same is attributable to the acts or omissions of the Commission or any of the Commission's agents, employees, licensees or contractors), which levy, attachment or lien shall not be released, discharged or bonded against within 90 days following the date the Team receives written notice thereof;

(j) the Team shall fail to obtain or maintain in effect any insurance required of it under this Agreement, or pay any insurance premiums, as and when the same become due and payable, or fails to reinstate, maintain and provide evidence to the Commission of the insurance required to be obtained or maintained by the Team or the Team's contractors or subcontractors under this Agreement in accordance with its terms and conditions, and such failure shall continue for a period of three Business Days after written notice of such failure from the Commission.

(k) the Team shall fail to perform or comply with any other material term or condition of this Agreement and such non-performance shall continue for a period of 90 days (the "Cure Period") after written notice by the Commission to the Team specifying the failure and demanding that it be corrected; provided, however, if the Team has taken reasonable steps to cure such failure within the Cure Period, but the failure is of a type or character which is not reasonably susceptible of cure within the Cure Period, although would be capable of cure by the Team using its reasonable best efforts, the Team shall have such additional time as may be necessary in order to effect such cure, but not to exceed an additional 90 days; or

(l) any representation or warranty of the Team in this Agreement shall be materially false when made.

Upon the occurrence of a Team Default, the Commission shall have the rights to do any one or more of the following: (i) recover all damages provided by law or in equity; (ii) in the case of the Team Default specified in paragraphs (a) and (b), and following written notice to the Team, set-off against amounts owing or to become due to the Team under this Agreement any amounts owed by the Team to the Commission; (iii) in the case of the Team Default specified in paragraph (k), perform the term or condition of this Agreement which the Team failed to do, and charge the Team for the cost of the performance; (iv) subject to Section 16.7, exercise any other right or remedy at law or in equity, including obtaining an injunction or order of specific performance; and (v) terminate this Agreement upon written notice to the Team specifying the effective date of the termination. If the Team shall have breached this Agreement by vacating or abandoning the Baseball Stadium Complex, any personal property owned by the Team which may be left in the Baseball Stadium Complex following such abandonment or dispossession shall be deemed to have been abandoned by the Team and such property may be disposed by the Commission in accordance with the provisions of Section 3.6. If the Commission exercises the termination remedy provided for in clause (v), the Team shall surrender possession and vacate the Leased Premises and immediately deliver possession thereof to the Commission no later than

the termination date specified by the Commission in the written notice to the Team, and the Commission may re-enter and take complete and peaceful possession of the Baseball Stadium Complex in accordance with the process of law in force in the District of Columbia, full and complete license so to do being hereby granted to the Commission, and the Commission may remove all occupants and property therefrom without relinquishing the Commission's right to damages. Upon any Team Default described in paragraph (j), purchase (i.e., "force place"), on behalf of the Team or the Team's contractors or subcontractors, the missing insurance required to be obtained or maintained by the Team of the Team's contractors or subcontractors under this Agreement in accordance with its terms and conditions, and to demand and obtain reimbursement therefore from the Team. Any such sums not paid by the Team within 30 days after demand shall bear interest at the Default Interest Rate from the date of such payment until paid in full. The Team's failure to reimburse the Commission within 30 days after demand for all costs of such insurance premiums and the Commission's costs and expenses related thereto shall be an automatic Team Default, it being agreed that Team shall not be entitled to any further notice of such failure or cure period as might otherwise be provided to the Team under clauses (b) or (k). If, on account of any Team Default it shall become necessary or appropriate for the Commission to enforce or defend any of the Commission's rights or remedies arising under this Agreement or to collect any sums due from the Team, THE TEAM EXPRESSLY WAIVES ANY SERVICE OF ANY NOTICE TO QUIT OR OTHER SIMILAR NOTICE REQUIRED BY ANY PRESENT OR FUTURE LAW, STATUTE, ORDINANCE, COURT OR ADMINISTRATIVE REGULATION OR PROCEDURE APPLICABLE TO BUT NOT REQUIRED BY THE TERMS OF THIS AGREEMENT. Subject to Section 16.7, the Team, on its own behalf and on behalf of all Persons claiming through or under the Team to the extent it may legally do so, including all creditors, does hereby specifically waive and surrender any and all rights and privileges, so far as is permitted by Applicable Law, which the Team and all such Persons might otherwise have under any present or future Applicable Law: (i) to the service of any notice of the Commission's intention to re-enter or to institute legal proceedings, which notice may otherwise be required by Law to be given; (ii) to redeem the Leased Premises and/or any improvements on the Leased Premises after an arbitral or a final non-appealable judgment by a court of competent jurisdiction against the Team enforcing the exercise by the Commission of one or more its remedies under this Agreement; (iii) to re-enter or repossess the Leased Premises or to seek any new Arbitration hearing or trial in any action of ejectment under any provision of law, after re-entry thereupon, or upon any part thereof, by the Commission, or after any warrant to dispossess or judgment in ejectment; (iv) after an arbitral award or a final non-appealable judgment, writ, warrant, or order by a court of competent jurisdiction against the Team enforcing one or more of its remedies, to restore the operation of this Agreement after any dispossession of the Team, or any re-entry by the Commission, or any expiration or termination of this Agreement; or (v) to the benefit of any Applicable Law which exempts property from liability for debt or for distress for rent. Each Party certifies to the other that no representative, agent or attorney of the other has represented, expressly or otherwise, that other Party would not, in the event of litigation, seek to enforce the foregoing waivers; and each Party acknowledges that it has been induced to enter into this Agreement by, among other things, the foregoing mutual waivers and certifications. The Team shall have no right to terminate this Agreement as a result of the Team's non-payment of Rent.

16.2. Commission Default

Each of the following shall be an event of default by the Commission ("Commission Default") under this Agreement:

(a) the Commission shall fail to pay to the Team any amounts due within 30 days after written notice thereof by the Team to the Commission specifying the failure and demanding that it be corrected;

(b) the Commission, or any successor or assignee of the Commission in possession, shall admit in writing its inability to pay its debts as they mature or shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise;

(c) the Commission, or any successor or assignee of the Commission in possession, shall be adjudicated bankrupt or insolvent by any court;

(d) involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against the Commission, or a receiver or trustee shall be appointed of all or substantially all of the property of the Commission, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within 90 days after the institution of appointment;

(e) the Commission shall make an assignment for the benefit of creditors, or the Commission shall petition for composition of debts under any law authorizing the composition of debts or reorganization of the Commission;

(f) the Commission shall fail to perform or comply with any other material term or condition of this Agreement and such non-performance shall continue for a period of 90 days (the "Cure Period") after written notice by the Team to the Commission specifying the failure and demanding that it be corrected; provided, however, if the Commission has taken reasonable steps to cure such failure within the Cure Period, but the failure is of a type or character which is not reasonably susceptible of cure within the Cure Period, although would be capable of cure by the Commission using its reasonable best efforts, the Commission shall have such additional time as may be necessary to effect such cure, but not to exceed an additional 90 days; or

(g) any representation or warranty of the Commission in this Agreement shall be materially false when made.

Upon the occurrence of a Commission Default, the Team shall have the rights to do any one or more of the following: (i) recover all damages provided by law or in equity; (ii) in the case of the Commission Default specified in paragraph (a), and following written notice to the Commission, set-off against amounts, other than Basic Rent, owing or to become due to the Commission under this Agreement any amounts owed by the Commission to the Team; (iii) in the case of the Commission Default specified in paragraph (f), perform the term or condition of this Agreement which the Commission failed to do, and charge the Commission for the cost of the performance; (iv) subject to Section 16.7, exercise any other right or remedy at law or in equity, including

obtaining an injunction or order of specific performance; and (v) if the District Government fails to pay any amount due and owing under the District Government Guaranty in accordance with the terms thereof, terminate this Agreement upon written notice to the Commission specifying the effective date of the termination.

16.3. Default by District Government

In the event the District Government fails for a period of 18 months after written notice from the Team to appropriate amounts due under the District Government Guaranty (except that the failure of the U.S. Congress to approve and the President of the United States to sign a District Government's appropriation which includes such Team amount shall not constitute a default), the Team shall have the rights, in addition to any other rights or remedies it may have, to take any or all of the following actions, but, in the case of clauses (i), (iv), (v) and (vi), only to the extent necessary to mitigate the impact on the Team of the failure of the District Government to appropriate and pay the amounts due: (i) the Team may elect to have the amount of stadium license fees payable by it under the RFK License and any Rent payable by it under this Agreement abated or reduced to the extent of the Team's damages attributable for so long as the failure shall continue, (ii) the Team may elect to terminate the RFK License or this Agreement or both, (iii) the Team may elect to terminate the Team's Non-Relocation Obligations; (iv) the Team may elect to suspend or terminate the Commission's license under Section 8.1(i) and its rights to use the Leased Premises for Commission Events under Section 8.2; (v) the Team may elect to suspend or terminate the Commission's rights to use the Commission's Suite and to Tickets under Sections 8.1(ii) and 8.4; and (vi) the Team may elect to suspend or terminate the Commission's rights to payments under Section 8.6.

16.4. Concerning Remedies

The remedies provided for in this Agreement are exclusive and cumulative. The exercise of a particular remedy does not preclude the exercise of any or all other available remedies. No delay in the exercise of a remedy shall constitute a waiver of that remedy. Nothing in this Agreement is intended to waive any remedy available to a Party under the Baseball Stadium Agreement, the RFK License or the Construction Administration Agreement. Nothing in this Agreement is intended to relieve a Party from its common law duty to mitigate damages. Except for Litigable Matters, all claims for damages or other remedies under this Agreement shall be resolved by Arbitration. Litigable Matters shall be subject to the exclusive jurisdiction of the District of Columbia Superior Court or the United States District Court for the District of Columbia, or of both as applicable in the circumstance. The Parties irrevocably submit to such exclusive jurisdiction.

16.5. Intramural Disputes

The Parties shall attempt in good faith to resolve any dispute, controversy or claim arising out of this Agreement between them by negotiations senior executives of the Commission and the Team who have authority to act and who will promptly meet for negotiations to attempt to settle the dispute. If the matter has not been resolved within 10 days from the referral of the dispute to the senior executives, any Party may refer the matter to Mediation.

16.6. Mediation

If the Commission and the Team are unable to reach agreement with respect to any matter requiring their agreement under this Agreement, any Party may submit the matter to mediation under the Mediation Procedures of the American Arbitration Association ("Mediation"). Real estate development or construction shall be subject to the Construction Industry Mediation Procedures and other matters shall be subject to the Commercial Mediation Procedures. Once commenced, no such Mediation shall be permitted to proceed for more than 15 days. Each Party shall bear its own expenses. The costs and expenses of the mediator and any administrative expenses of the Mediation shall be borne equally by the Commission and the Team. Failure of the Commission and the Team to reach agreement pursuant to the Mediation procedure shall be deemed to be a dispute arising under this Agreement.

16.7. Arbitration

Except for Litigable Matters, all disputes and claims for damages between the Team and the Commission arising out of this Agreement shall be resolved not by litigation but rather by binding arbitration ("Arbitration") in the District of Columbia before a panel of three independent arbitrators under the auspices and pursuant to the rules of the American Arbitration Association. Any such dispute regarding real estate development or construction matters shall be governed by the Construction Industry Arbitration Rules then in effect, and any dispute regarding other matters shall be governed by the Commercial Arbitration Rules then in effect. The Arbitration hearing will be scheduled so that it is concluded within six months from the date of the filing of the Arbitration and the panel shall render its decision within one month after the closing of the hearing. Arbitrators will be chosen under the usual procedures and from the usual panels of the American Arbitration Association except that none of the arbitrators shall have performed, directly or indirectly, a material amount of work for the Team, the Commission or the District Government within the five year period immediately preceding the date of their selection or intend or desire to perform work for the Team, the Commission or the District Government within one year following the date of their selection. Issues determined by Arbitration pursuant to this provision shall be given preclusive or collateral estoppel effect. Each Party shall bear its own costs relating to the Arbitration except that the Arbitration panel shall have the authority to award attorney's fees. The costs and fees of the panel and the fees to the American Arbitration Association shall be borne equally by the Team and the Commission.

16.8. Interest on Defaulted Amounts

Any amounts payable by a Party under this Agreement and not paid when due shall bear interest until paid at the Default Interest Rate. The interest shall be payable on demand to the Party to whom the amount in default is owing or into the fund to which the amount in default was to be deposited.

ARTICLE 17

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT

17.1. Subordination

If no Commission Default has occurred and is continuing, the Team agrees within 30 days following written request by the Commission to execute and deliver a SNDA to subordinate this Agreement to the lien of any Permitted Mortgage. Delivery by the Team of the SNDA is conditioned upon the delivery to the Team of (i) the SNDA as executed and delivered by the Commission, the District Government or its successor(s) under the Ground Sublease, AWC or its successor(s) under the Ground Lease, and the Authorized Senior Mortgagee; and (ii) a fully executed original of the Permitted Mortgage. Except as provided in this Section 17.1, this Agreement shall at all times be and remain prior and paramount to the lien and charge of all Mortgages.

17.2. Non-Disturbance

The Commission shall cause each Person who holds a Mortgage in existence on the date of this Agreement (other than any Mortgage granted by the Team) to execute and deliver a SNDA within 30 days following the date of this Agreement. The Commission shall not grant, and shall not permit the District Government or AWC to grant, any Mortgage that would be superior to this Agreement in the absence of a SNDA unless a SNDA is executed and delivered to the Team by the Commission, the District Government and AWC within 30 days following the execution and delivery of the Mortgage. Every SNDA shall provide that in the event of a foreclosure or other title taking remedial procedure or proceeding under the Mortgage, unless a Team Default has occurred and is continuing:

(a) The Authorized Senior Mortgage shall acquire and accept its interest in the Leased Premises subject to this Agreement.

(b) This Agreement and the rights of the Team hereunder shall not be affected or disturbed, but rather shall continue in full force and effect.

(c) The Team shall be entitled to lawful, quiet and peaceful possession, use and occupancy of the Leased Premises in accordance with this Agreement without hindrance, eviction, molestation, or interference by the Authorized Senior Mortgagee and its successors.

(d) The Authorized Senior Mortgagee shall have no right to terminate this Agreement.

(e) The Team shall not be named or joined by the Authorized Senior Mortgagee in any proceedings which may be instituted in connection with the Mortgage.

17.3. Attornment

The Team agrees that if the Authorized Senior Mortgagee shall succeed to the Commission's interest in this Agreement, the Team shall attorn to and be bound to the Authorized Senior Mortgagee in accordance with the SNDA.

17.4. Estoppel Certificates

The Team agrees that, it shall, at any time and from time to time upon not less than 20 days' prior written request by the Commission, execute, acknowledge and deliver to the Commission, or such other parties as may be designated by the Commission, a statement in writing signed by the Team certifying (i) that this Agreement is unmodified and in full force and effect (or if there have been modifications, that this Agreement as modified is in full force and effect and identifying the modifications); (ii) the date upon which the Team began paying Rent and the dates to which the Rent and other charges have been paid; (iii) that, to the best knowledge of the Team, the Commission is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; (iv) that the Team is paying Rent on a current basis with, to the best knowledge of the Team, no rental set-offs or claims; (v) that there are no actions, whether voluntary or otherwise, pending against the Team under the bankruptcy laws of the United States or any state thereof. The Commission agrees that, it shall, at any time and from time to time upon not less than 20 days' prior written request by the Team, execute, acknowledge and deliver to the Team, or such other parties as may be designated by the Team, a statement in writing signed by the Commission certifying (i) that this Agreement is unmodified, and in full force and effect (or if there have been modifications, that this Agreement, as modified, is in full force and effect (or if there have been modifications)); (ii) the date upon which the Team began paying Rent and the date to which the Rent and other charges have been paid; (iii) that, to the best knowledge of the Commission, the Team is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; (iv) that the Team is in occupancy and paying Rent on a current basis with, to the best knowledge of the Commission, no rental offsets or claims; (e) that there are no actions, whether voluntary or otherwise, pending against the Commission under the bankruptcy laws of the United States or any state thereof.

ARTICLE 18

GENERAL PROVISIONS

18.1. Entire Agreement

This Agreement, together with the Baseball Stadium Agreement, the RFK License and the Construction Administration Agreement, represents the entire agreement among the Parties with respect to the matters set forth herein and supersedes all prior negotiations, representations or agreements, either written or oral, pertaining to the subject matter of this Agreement, the RFK License, the Baseball Stadium Agreement and the Construction Administration Agreement.

18.2. Amendments

This Agreement may be amended only by written instrument signed by both Parties.

18.3. Choice of Law

This Agreement shall be governed by and interpreted in accordance with the internal laws of the District of Columbia, without giving effect to conflict of laws provisions.

18.4. Severability

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid under any law, such provision or portion thereof, only shall be ineffective without in any manner invalidating or affecting the remaining provisions of this Agreement or the valid portion of such provision, which provisions are deemed severable.

18.5. No Implied Waivers

No waiver by a Party of any term, obligation, condition or provision of this Agreement shall be deemed to have been made, whether due to any course of conduct, continuance or repetition of non-compliance, or otherwise, unless such waiver is expressed in writing and signed and delivered by the Party granting the waiver. No express waiver shall affect any term, obligation, condition or provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated. Without limiting the Commission's rights under any other provision in this Agreement, it is agreed that no receipt of moneys by the Commission from the Team after the expiration of the Term or termination of this Agreement shall reinstate, continue or extend the Term or the Agreement, or affect any notice given to the Team prior to the receipt of such moneys. Without limiting the Team's rights under any other provision in this Agreement, it is agreed that no receipt of moneys by the Team from the Commission after the expiration of the Term or termination of this Agreement shall reinstate, continue or extend the Term or the Agreement, or affect any notice given to the Commission prior to the receipt of such moneys.

18.6. Successors and Assigns

Each Party binds itself and its successors and authorized assigns to the other and to the successors and authorized assigns of the other Party with respect to all covenants of this Agreement.

18.7. Interpretations

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with generally

accepted accounting principles, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with generally accepted accounting principles. Captions and headings in this Agreement are only for convenience and to not define, limit, describe or amplify the scope or intent of any of the provisions of this Agreement. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such words as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. This Agreement has been negotiated and entered into by each Party with the advice of counsel and shall not be construed against one Party or another based on which Party drafted any portion of this Agreement.

18.8. Notices

All notices, demands, certificates or other communications under this Agreement shall be in writing (except where otherwise expressly provided) and shall be deemed delivered: (i) when actually received if personally delivered by hand or by reputable courier service; or (ii) three Business Days after deposit in the U.S. Mail postage prepaid, certified mail return receipt requested, and in each case properly addressed as follows:

If to the Commission:

District of Columbia Sports and
Entertainment Commission
2400 East Capitol Street S.E.
Washington, D.C. 20003
Attn: Chairman

With a copy not constituting notice to:

Covington & Burling
1201 Pennsylvania Avenue N.W.
Washington, D.C. 20004
Attn: W. Andrew Jack

If to the Team:

Baseball Expos, L.P.
c/o Major League Baseball
245 Park Avenue
New York, NY 10167

and:

Attn: General Counsel
Washington Nationals
RFK Stadium
2400 E. Capitol Street
Washington, D.C. 20003
Attn: Tony Tavares

With a copy not constituting notice to: **Foley & Lardner LLP**
3000 K Street N.W.
Washington, D.C. 20007-5101
Attn: Richard Weiss

Either the Team or the Commission, by written notice to the other, may change its address for purposes of this Agreement.

18.9. Third Party Beneficiaries

Except as provided in Sections 11.4, 11.5 and 11.6 (relating to indemnification), nothing in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against any Party and no third party shall be deemed a third party beneficiary of this Agreement or any provision hereof.

18.10. Time of the Essence

Time is of the essence in this Agreement.

18.11. Force Majeure

If a Party fails timely to perform any of the obligations on its part to be performed under this Agreement and the failure is due to any Force Majeure, the Party shall not be deemed to be in default under this Agreement as a result of such failure and any time for performance by the Party shall be extended by the period of delay resulting from such cause. This Section 18.11 does not apply to the rights of the Team under Section 8.03 of the Baseball Stadium Agreement.

18.12. Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same fully-executed agreement.

18.13. Good Faith and Fair Dealing

Each Party assumes a duty of good faith and fair dealing in the performance of its obligations and the enforcement of its rights under this Agreement. Unless specifically otherwise provided: (i) whenever a consent or approval is required from a Party under this Agreement, the consent or approval shall not be unreasonably withheld, conditioned or delayed; and (ii) whenever a Party is required to make a determination under this Agreement, the determination shall be made reasonably, in good faith and without unreasonable delay.

18.14. Non-Discrimination

Except as otherwise provided or when otherwise lawfully and reasonably permitted, a Party (i) shall not limit or refuse to provide any facility, service, program, or benefit to any individual on the basis of an individual's actual or perceived: race, color, religion, national

origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, disability, matriculation, political affiliation, source of income, or place of residence or business; and (ii) shall comply with all Applicable Laws prohibiting discrimination by reason of an individual's actual or perceived race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, disability, matriculation, political affiliation, source of income, or place of residence or business.

18.15. Survival

The payment obligations for amounts due and payable prior to the expiration or any other termination of this Agreement and the rights and obligations provided under Sections 3.5, 3.6, 3.7, 3.9, 8.7 Articles 11 and 16, and Sections 18.3, 18.8, 18.16, 18.18, 18.19 and 18.20 shall survive the Expiration Date or any termination of this Agreement pursuant to Section 3.4.

18.16. Waiver of Jury Trial

THE PARTIES WAIVE ANY RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY ON, OR IN RESPECT OF, ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT OR INSTRUMENT DELIVERED IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP OF PARTIES HEREUNDER, AND/OR ANY CLAIM OF INJURY OR DAMAGE.

18.17. Baseball Stadium Agreement

Article VI of the Baseball Stadium Agreement is deemed to have been satisfied or replaced by virtue of the execution and delivery of this Agreement and shall be of no further force or effect. Except as to Article VI and as provided in Section 12.17 of the Construction Administration Agreement, the Baseball Stadium Agreement remains in full force and effect.

18.18. Baseball Rules and Regulations

Notwithstanding any other provision of this Agreement, this Agreement, the Team's obligations hereunder and any rights or exclusivities granted by the Team hereunder shall in all respects be subordinate to the terms of the Baseball Rules and Regulations, league-wide obligations in any agreements entered into by an MLB Entity pursuant to the Baseball Rules and Regulations, and, as they are applied generally to all Major League Baseball clubs, any present or future mandates, rules, regulations, policies, bulletins, or directives issued or adopted by the Office of the Commissioner of Baseball or the MLB Entities (the Team hereby agrees that it will not consent to an agreement or arrangement inconsistent with this Agreement). The Team represents that, as of the date of this Agreement, the terms of this Agreement and the obligations of the Team and rights of the Commission hereunder are in no way inconsistent with any such terms, mandates, rules, regulations, policies, bulletins or directives and that all consents, approvals, and other actions of Major League Baseball and any other MLB Entity that is required for the execution and performance of this Agreement have been obtained prior to the execution hereof.

18.19. Waiver of Sovereign Immunity

The Commission waives its right to assert or raise the defense of sovereign or governmental immunity in any civil action, whether at law or in equity whether brought in the courts of the District of Columbia or elsewhere, or in resistance to any Arbitration proceeding or in the Arbitration proceeding itself or in enforcement thereof, which action or proceeding arises under or is based upon this Agreement or any of the agreements contemplated herein. This waiver of immunity shall also encompass, without limiting the foregoing, actions to impose and enforce equitable liens and related devices such as attachment or garnishment, irrespective of the source of funds to be attached or garnished. This waiver of immunity shall not be in derogation of any other waiver of immunity that may also be applicable to such action, proceeding or agreement.

18.20. Anti Deficiency Limitations

The Team acknowledges and agrees, that the obligations of the Commission under this Agreement are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351, (ii) the D.C. Official Code 47-105, (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§47-355.01 – 355.08, as the foregoing statutes may be amended from time to time, and (iv) Section 446 of the District of Columbia Home Rule Act, regardless of whether a particular obligation has been expressly so conditioned.

18.21. No Merger of Estates

The respective interests of the Team and the Commission in the Leased Premises shall not be destroyed during the Term by application of the doctrine of merger of estates.

18.22. No Joint Venture

Nothing contained in this Agreement shall be deemed or construed by the Parties or any third party as creating the relationship of principal and agent or of partnership or of joint venture between or among the Parties, notwithstanding the Commission's entitlement to Additional Rent, it being understood and agreed that neither the method of computation of such Additional Rent nor any other provision contained in this Agreement, nor any acts of the Parties shall be deemed to create any such relationship. The Commission and the Team shall each be and remain an independent contractor with respect to all rights obtained and services performed under this Agreement.

18.23. Contemporaneous Documents

Contemporaneously with the execution and delivery of this Agreement (i) the Commission shall deliver to the Team the guarantee by the District Government in respect of the Construction Administration Agreement and this Agreement as required by Section 6.14 of the Baseball Stadium Agreement; and (ii) the Team shall deliver to the Commission, in form and substance reasonably satisfactory to the Commission, Major League Baseball's acknowledgment of the continued enforceability of the MLB Guaranty delivered pursuant to Section 7.08 of the Baseball Stadium Agreement.

18.24. Persons Authorized to Act for Parties

Whenever in this Agreement a Party's consent or approval is required, such consent or approval shall be deemed given when delivered in writing by officials or officers as follows, and not otherwise: (i) in the case of the Commission, by its Chairman or its Executive Director; and (ii) in the case of the Team, by the President or any Vice President of the general partner of the Team. By written notice hereunder, either party may change the designation of Persons authorized pursuant to this Section 18.24.

[End of body of Agreement. Signatures are on the following page.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**DISTRICT OF COLUMBIA SPORTS AND
ENTERTAINMENT COMMISSION**

By _____
Name: Mark H. Tuohey
Title: Chairman

By _____
Name: Allen Y. Lew
Title: Chief Executive Officer

BASEBALL EXPOS, L.P.

By **BASEBALL EXPOS GP, INC.**
its General Partner

By _____
Name: Tony Tavares
Title: President

JOINDER AND AGREEMENT:

By signature below, and in consideration of certain mutual covenants set forth above and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District Government is executing this Agreement as a party solely to acknowledge its obligation and the Team's rights and remedies, as applicable, pursuant to Sections 2.5, 5.3, 9.2, 9.3, and 16.3 and for no other purposes whatsoever.

GOVERNMENT OF THE DISTRICT OF COLUMBIA

By _____
Name: Anthony A. Williams
Title: Mayor

Approved for Legal Sufficiency
By: _____
Name: _____
Title: _____

Document comparison done by DeltaView on Friday, January 27, 2006 3:59:27 AM

Input:	
Document 1	file://C:/Documents and Settings/RiellaMJ/My Documents/As filed Lease.DOC
Document 2	file://C:/Documents and Settings/RiellaMJ/My Documents/DECSEC/1-27-06 Filing/Final Lease (012706).DOC
Rendering set	C&B

Legend:	
Insertion	
Deletion	
Moved from	
Moved to	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	129
Deletions	143
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	274