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ORDINANCE NO. 2633

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AN ORDINANCE relating to an Agreement between King County and the major league professional baseball franchise located in Seattle for use of the King County Domed Stadium in accordance with Ordinance 2556, and authorizing the King County Executive to sign said Agreement.

WHEREAS, King County is the owner of the King County Domed Stadium which is suitable for the playing of professional baseball and which will be ready for such play in 1976, and

WHEREAS, the Seattle Baseball Club will be the possessor of the Seattle franchise of the American League of Professional Baseball Clubs, and

WHEREAS, King County and the Seattle Baseball Club have negotiated an Agreement for use of the King County Domed Stadium at such rental rates, terms and conditions which adequately protect the public interest and reasonably reflect existing market conditions.

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

The execution by the County Executive of the Agreement between King County and the Seattle Baseball Club, a copy of which is attached hereto and by this reference made a part hereof, is hereby authorized and approved.

INTRODUCED AND READ for the first time this 17th day of February, 1976.

PASSED this 1st day of March, 1976.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Dave Hooney
Chairman

ATTEST:

John Hammond
Clerk of the Council

APPROVED this 3d day of March, 1976.

[Signature]
King County Executive

AMENDMENT TO AGREEMENT BETWEEN
KING COUNTY, WASHINGTON AND SEATTLE BASEBALL CLUB

In consideration of the mutual agreements herein contained and of those heretofore entered into by them, KING COUNTY, WASHINGTON, and SEATTLE BASEBALL CLUB, a general partnership, hereby agree and covenant that their agreement dated February 8, 1976 (the "Agreement"), be and the same is hereby amended as follows:

1. Article Thirteen, Subsection (c), page 29, of the Agreement is amended to read as follows:

(c) The Club shall not assign or transfer to any other person a controlling interest in its American League franchise, nor assign any of its rights hereunder, except to such person as may be approved by the American League and who agrees and is financially able to perform the Club's obligations hereunder; and

2. Section 15.13, commencing on page 35, of the Agreement, is amended to read as follows:

15.13 Indemnity.

(a) The County shall indemnify and save the Club harmless from all loss, damage, liability or expense (including expense of litigation) arising out of or resulting from any actual injury to, or death of, any person, or from any actual loss of, or damage to, property belonging to any third person not a party to this agreement, caused by, or resulting from any of the following events, to the extent such events are not caused by or result from conduct, actions, or omissions of the Club, its members, agents, representatives, employees, contractors, guests, invitees, customers, or visitors:

(i) Any occurrence on or about the Stadium Premises or Domed Stadium; or,

(ii) Any defect in the Domed Stadium; or,

(iii) Any defect in the Stadium Premises;

provided, however, that if a defect should occur in an area constructed by or under the authority of the Club, its agents, employees or contractors, any injury, death, damage, or loss resulting therefrom shall be exempted from the scope of this subsection.

If the Club will be joined in any suit or action wherein events are alleged as falling within the scope of this subsection, the Club shall have the right to tender such suit or action to the County and the County shall defend the Club at the County's expense. The County shall not be liable for any attorneys' fees incurred by the Club prior to any such tender.

(b) The Club shall indemnify and save the County harmless from all loss, damage, liability, or expense (including expense of litigation) arising out of or resulting from any actual injury to or death of any person, or from any actual loss of, or damage to, property belonging to any third person not a party to this agreement, caused by or resulting from any of the following events, to the extent that such events were caused by or resulted from the conduct, actions, or omissions of the Club, its members, agents, representatives, employees or contractors:

(i) Any occurrence on or about the Stadium Premises or Domed Stadium; or,

(ii) Any defect in the Stadium Premises to the extent that such Stadium Premises were constructed by or under the authority of the Club, its agents, employees, or contractors;

provided, however, that if the conduct, action or omission of the Club, its members, agents, representatives, employees or contractors, which caused or resulted in such events was, in turn, caused by, or resulted from, the failure or omission of the County to provide adequate security, first aid facilities or personnel, fire prevention or fire fighting equipment or personnel, or any other equipment or personnel, as required in this agreement, or if the extent thereof would have been limited but for any such failures or omissions by the County, then the Club's obligations of indemnity shall not apply or shall be limited accordingly, as the case may be.

If the County will be joined in any suit or action wherein events are alleged as falling within the scope of this subsection, the County shall have the right to tender such suit or action to the Club and the Club shall defend the County at the Club's expense. The Club shall not be liable for any attorneys' fees incurred by the County prior to any such tender.

(c) If the Club will be joined or named as a party to any suit or action in which the County is a principal party, solely by reason of the Club's entering into this agreement or being a party hereto, the Club shall have the right to tender the defense thereof to the County, and the County shall indemnify the Club and save it harmless from all costs and expenses incurred by the Club with respect thereto including reasonable attorneys' fees. The County shall not be liable for any attorneys' fees incurred by the Club prior to any such tender.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to their agreement to be executed this 13th day of February, 1976.

KING COUNTY, WASHINGTON

By _____

John D. Spellman
County Executive

AGREEMENT

between

KING COUNTY, WASHINGTON

and

SEATTLE BASEBALL CLUB

February 8, 1976

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AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of February, 1976, by and between KING COUNTY, WASHINGTON, a duly incorporated municipal corporation of the State of Washington (hereinafter "County") and SEATTLE BASEBALL CLUB (hereinafter the "Club"), a general partnership organized and existing under the laws of the State of Washington and consisting of Stanley D. Golub, Danny Kaye, Walter E. Schoenfeld, Lester M. Smith, James F. Stillwell, Jr. and James A. Walsh;

W I T N E S S E T H :

Recitals

WHEREAS, the County is constructing a domed stadium (as defined herein) in Seattle, Washington; and

WHEREAS, the Club is a party to a contract to acquire the Seattle franchise of The American League of Professional Baseball Clubs; and

WHEREAS, the County and the Club desire to enter into an agreement specifying the terms and conditions under which the Club will use the domed stadium in connection with its franchise;

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the parties hereto do hereby agree as follows:

ARTICLE ONE

Definitions

All words in this agreement bearing initial capitals, other than proper nouns, section headings or words required to be capitalized for proper usage, are defined terms and shall have the meanings specifically assigned to them in this article.

As used in this agreement, the following terms and words are hereby defined as follows:

1.1 "Adjusted Gross Stadium Advertising Revenue" means all gross receipts received by the County and/or any of its licensees or contractors for advertising in the Domed Stadium, less amortization payments specified in that certain contract dated August 5, 1975, between Conrac Corporation and King County, allocated to baseball pro rata as the attendance each calendar year during the term hereof at baseball events bears to the total attendance during such calendar year for all professional baseball, football, soccer, basketball and hockey events.

1.2 "Adjusted Gross Stadium Parking Revenue" means, with respect to Home Game Days, one-third (1/3) of the gross receipts received by the County for the parking of busses in the Existing Stadium Parking Area or any expansion thereof, plus one-third (1/3) of the gross receipts received by the County for the parking of autos and other vehicles in any Stadium parking area to be constructed and operated in the future in excess of the Existing Stadium Parking Area; provided that, with respect to any such future parking area in which any other party participates with the County in receiving revenues as a result of its participation in the financing of construction, fifty percent (50%) of the gross receipts of the County; and provided further that, if the County will incur capital costs in constructing additional parking areas, it may deduct from the receipts therefrom an amount equal to the actual amortization of the County's costs therefor.

1.3 "The American League" means The American League of Professional Baseball Clubs as now or hereafter constituted, and of which the Club has agreed to become a member.

1.4 "American League Schedule" means the annual listing officially promulgated by The American League in advance of each Season, which sets forth the games to be played during such

Season by The American League teams as the competition among such teams for the American League championship for that Season, and the dates and places upon which and where all such games are scheduled to be played.

1.5 "Approval of the Club" means the prior written consent of the Club, which shall not, in any case, be unreasonably withheld.

1.6 "Baseball Novelties" means merchandise, goods and wares bearing the symbol, mark or name of the Club or its team, including pictures of the team or any of its players or other personnel; and/or bearing the symbol, mark or name of The American League, the National League or any professional baseball team, including pictures of any other such team or any of its players or other personnel.

1.7 "Club" means the Seattle Baseball Club and its successor or successors.

1.8 "Club Facilities" means the Home Team Locker Room, Owners' Box, office facilities, if any, storage area, if any, and a ticket vault.

1.9 "County" means King County, a municipal corporation of the State of Washington.

1.10 "Day of Game" means the calendar day upon which a Home Game of the Club is scheduled to be played in the Domed Stadium and such portion of the following day as may be necessary to complete such Home Game.

1.11 "Domed Stadium" means the multi-purpose stadium, seating approximately 65,000 persons, and all of the appurtenances thereto, constructed and owned by the County, and situated on the realty described in Exhibit A.

1.12 "Existing Stadium Parking Area" means the parking area existing in March, 1976, adjacent to the Domed Stadium and containing approximately 2,000 passenger vehicle parking stalls.

1.13 "Gross Concessions Revenue" means the gross receipts derived on Home Game Days by Alpine Food Products, Inc./ Burtco, Inc. (referred to in this agreement as "Concessionaire") under the terms of (and as defined in) that certain Contract to Design, Finance, Construct, Sell and Operate dated 14 April 1975, together with Exhibits A, B and C thereto (referred to in this agreement as "Concession Agreement"); and any gross receipts derived on Home Game Days by the County or any licensee or contractor from the sale of food and beverages.

1.14 "Home Game" or "Home Games" means any professional baseball game or games played at which the Club's team is the host team, including exhibition, regular season, intra-divisional and inter-divisional playoff, All-Star and World Series playoff games.

1.15 "Home Game Day" means any day on which one or more Home Games are played in the Domed Stadium.

1.16 "Home Team Locker Room" means the locker room of the Club consisting of approximately 8,200 square feet and located in the southwest quadrant of the ground floor of the Stadium.

1.17 "Major League" means The American League of Professional Baseball Clubs and The National League of Professional Baseball Clubs as now or hereinafter constituted or organized and recognized as a major league by the baseball rules, and any other leagues existing during the Term which shall be generally known and recognized as major leagues, and the members of which shall be authorized by the baseball rules to play professional baseball in regularly scheduled competition culminating in a World Series.

1.18 "Major League Baseball" means professional baseball games between members of the same Major League or between members of different Major Leagues, including All-Star, exhibition, intra-divisional and inter-divisional playoff, and World Series games.

1.19 "Minimum Consideration" means the minimum consideration required pursuant to either subsection 4.11(a) or subsection 4.11(b).

1.20 "Owners' Box" means the box of the owners of the Club which is located on the lower level of the press box at the southwest end thereof behind home plate.

1.21 "Owners' Lounge" means the southern approximately 1/3 of the lounge area located on the second level of the press box which is available exclusively to the owners of the Club during games played by the Club in the Stadium during the Term.

1.22 "Paid Attendance" means the number of persons who pay for admission to the Stadium to view a baseball game.

1.23 "Pay Television Broadcast" means any day of game television coverage of any Home Game transmitted by cable or otherwise, in such a manner that a charge is made to the receiver or viewer for the reception of signals in usable form, and shall include, but not be limited to, telecasts in theaters, taverns and similar establishments and any metered, subscription or "pay-as-you-see" home television.

1.24 "Regular Home Game" means any Home Game played as a part of the regular American League Schedule.

1.25 "Related Activity" means any event or activity which is scheduled or arranged by the Club to be held or to take place in the Domed Stadium in conjunction with any Home Game.

1.26 "Season" means March 15 through October 31 of each year during the Term.

1.27 "Seats" means those seats in the Domed Stadium including seats in the Stadium Club, if one is constructed, from which events in the Domed Stadium are to be viewed.

1.28 "Stadium, Club" means that facility, if any, which may be constructed at the north end of the Domed Stadium under

the scoreboard, together with rights of access to and from such facility.

1.29 "Stadium Director" means the County Director of the Department of Stadium Administration or his delegate.

1.30 "Stadium Premises" means that part of the Domed Stadium reasonably necessary for the proper playing of professional baseball, including the playing field, visiting team locker room, umpires' dressing rooms, ticket sales facilities, press facilities, radio and television broadcast facilities and all areas of the Domed Stadium normally made available to spectators (excluding parking facilities, Domed Stadium offices and other parts of the Domed Stadium included in any other defined term herein).

1.31 "Term" means the initial term of this agreement set forth in Article 2 and, if the Club exercises either or both of its options to extend the initial term, any such extended term.

1.32 "Ticket Sales Proceeds" means gross revenues derived from the sale of admissions to Regular Home Games less any and all taxes levied on the gross ticket price (admissions taxes, excise taxes, or gross receipts taxes) and less the shares thereof payable to The American League and to the visiting teams.

ARTICLE TWO

Term

The Term of this use agreement shall be twenty (20) years commencing March 15, 1977 and ending March 14, 1997. The Club shall have the option, exercisable by notice to the County at any time prior to January 1, 1996, to extend the Term for an additional five (5) years, commencing on March 15, 1997, and ending on March 14, 2002, on the same terms and conditions as herein set forth; and, if the Club shall have timely exercised

said option, it shall have the additional option, exercisable by notice to the County at any time prior to January 1, 2001, to extend the Term for an additional five (5) years, commencing March 15, 2002, and ending on March 14, 2007, on the same terms and conditions as herein set forth.

ARTICLE THREE

Construction, Maintenance and Insurance

3.1 Construction. The County shall cause the Domed Stadium to be constructed substantially in accordance with the plans and specifications for the Domed Stadium in effect as of the date of this agreement.

3.2 Construction of Owners' Box. The County shall construct, or cause to be constructed, at its expense, an Owners' Box as described in the plans and specifications in effect as of the date of this agreement. The construction of said Owners' Box shall include roughing in of all utilities, but all other furnishing of the Owners' Box shall be the responsibility of the Club.

3.3 Completion Date. The County warrants that the Domed Stadium and the Stadium Premises will be substantially completed and ready for use by the Club prior to March 15, 1977. Construction of the Domed Stadium will be deemed to be substantially completed when a certificate of occupancy has been issued. At any time after January 1, 1977, the president of The American League is authorized by the parties to determine whether or not, in his opinion, the Stadium Premises will be substantially completed and ready for use by the Club by March 15, 1977. If he will determine that the Stadium Premises will not be, or that it is doubtful that the Stadium Premises will be, substantially completed and ready for use by the Club by March 15, 1977, the Club shall then have the right to make such reasonable alterna-

tive arrangements as in its judgment are appropriate, for all or part of the 1977 Season, in which event the County shall compensate the Club for any differences between the revenues derived by the Club by using such alternatives and those revenues which would have been derived by use of the Domed Stadium and the Stadium Premises, plus any additional expenses incurred by the Club as a direct result thereof.

3.4 Maintenance of Stadium. The County shall maintain the Domed Stadium and the Stadium Premises, including, but not limited to the playing field, the astroturf and the dirt surfaces to be installed thereon, in a neat, clean, safe and sanitary condition and in a good state of repair at all times during the Term, so that the Domed Stadium and the Stadium Premises will at all times be a first class, major league baseball facility which meets the standards and conditions set from time to time by The American League. The County shall provide lighting in the Domed Stadium which at all times meets such standards and conditions. The astroturf shall be replaced whenever necessary to meet such standards and conditions. The County, at its expense, shall convert the Stadium Premises for use by the Club in an orderly and timely fashion prior to each Home Game. The County shall at all times provide adequate ventilation in the Domed Stadium.

3.5 Home Team Locker Room. The Club shall be responsible for the completion of the construction of the Home Team Locker Room, an area of approximately 8,200 square feet; provided, that the County shall reimburse the Club for an amount equal to the lesser of (a) the actual costs of construction, equipping, and furnishing thereof, or (b) \$30.00 per square foot thereof. The Club may use architects and contractors of its choice therefor. Such reimbursement shall be made by the County upon the completion of construction of the Home Team Locker Room

and presentation of a statement therefor by the Club to the County or, at the County's option, such payment may be in the form of an offset against the first payments of consideration next due hereunder from the Club to the County.

3.6 Insurance.

(a) Property Insurance. Each of the County and the Club releases and relieves the other from, and waives for itself and its insurers, any and all claims each of them may have or acquire arising out of or incident to fire, lightning, and the perils included in any "extended coverage endorsement" in, on, or about the Domed Stadium or the Stadium Premises, whether due to the negligence of either party, its agents or employees or otherwise; provided, however, that this sentence shall not be read to release, relieve, or waive any claims of indemnity given either party pursuant to section 15.13, entitled "Indemnity." The County covenants at all times during the terms of this agreement, at its own cost and expense, to carry and maintain insurance against loss or damage to the Domed Stadium caused by fire and such other causes of loss as are usually and customarily covered by vandalism and malicious mischiefs endorsements and by an "extended coverage endorsement," excluding earthquake insurance, in an amount equal to 90% of the replacement value of the Domed Stadium, or to make such other arrangements as may be approved by the Club to provide for repair or replacement in the event of such loss or damage. The County agrees to evaluate its insurance coverage as herein provided, not less often than annually, to maintain the level of coverage required in this subsection.

The Club covenants at all times during the term of this agreement, at its own cost and expense, to carry and maintain insurance against loss or damage to the locker facilities it will construct pursuant to section 3.5 of this agreement or to any other facility that the Club may construct and maintain in the Domed Stadium caused by fire and such other causes of loss as are

usually and customarily covered by vandalism and malicious mischief endorsements and by an "extended coverage endorsement," excluding earthquake insurance, in an amount equal to 90% of the replacement value of those facilities, or to make such other arrangements as may be approved by the County to provide for repair or replacement in the event of such loss or damage. The Club agrees to evaluate its insurance coverage as herein provided, not less often than annually, to maintain the level of coverage required in this subsection.

(b) Liability Insurance. The County shall at all times during the term of this agreement, at the Club's cost and expense, carry and maintain, for the mutual benefit of the County and the Club, general public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Domed Stadium, which insurance shall cover such claims as may be occasioned by any act, omission or negligence of the Club or its officers, agents, representatives, employees or servants during all times that the Club will be using the Domed Stadium under the terms of this agreement. The limitations of liability of said liability insurance, which may be increased from time to time as deemed necessary by the County with the approval of the Club, shall not be less than either:

(i) \$5,000,000 each person, personal injury liability;

(ii) \$5,000,000 each occurrence, personal injury liability;

(iii) \$1,000,000 each occurrence, property damage liability; and

(iv) \$1,000,000 aggregate property damage liability; or

(v) a combined limit of \$5,000,000 bodily injury and property damage liability.

At the Club's option it may carry and maintain the insurance provided for in this subsection for any Season during the Term, provided, that in the event the Club elects to exercise such option, it shall notify the County not later than December 15 of the year preceding that Season. The County shall at all times during the Term, at its own cost and expense, carry and maintain general public liability insurance or make such other arrangements as may be approved by the Club, to protect against claims for bodily injury, death, or property damage occurring on, in, or about the Domed Stadium which insurance shall cover such claims as may be occasioned by an act, omission or negligence of the County, or its officers, agents, representatives, employees or servants. The limitations of liability of said liability insurance, which may be increased from time to time as deemed necessary by the County with the Approval of the Club, shall be not less than either:

(i) \$5,000,000 each person, personal injury liability;

(ii) \$5,000,000 each occurrence, personal injury liability;

(iii) \$1,000,000 each occurrence, personal damage liability; and

(iv) \$1,000,000 aggregate property damage liability; or

(v) a combined limit of \$5,000,000 bodily injury and property damage liability.

(c) General Provisions. The insurance described in subsections 3.6(a) and 3.6(b) shall be obtained from insurance companies which have Best's Ratings of AAA, are duly authorized to issue such policies in the State of Washington, and are acceptable to the County and the Club. The County and the Club shall

both be named as the insured parties in all such policies. Certificates or other evidence satisfactory to the Club and the County evidencing the existence and terms and conditions of all insurance maintained pursuant to subsections 3.6(a) and 3.6(b) shall be delivered to the Club or the County upon request. No policies of insurance maintained pursuant to said subsections shall be cancellable, nor shall the terms and conditions thereof be amendable, without sixty (60) days prior written notice to the Club and the County.

ARTICLE FOUR

License to Use Domed Stadium for Home Games

4.1 Use of Domed Stadium for Home Games. During the term of this agreement, the Club shall have the right to play and shall play (except as provided in section 3.3) all Regular Home Games in the Domed Stadium, unless precluded from doing so by the existence of a labor dispute involving the Domed Stadium which renders the Domed Stadium substantially unavailable for use for professional baseball games.

4.2 Use of Parking Facilities in Connection with Home Games. The Club shall have the right to use 300 spaces of the Existing Stadium Parking Area on any Home Game Day, provided, however, that the Club shall have the right to use 600 spaces of the Existing Stadium Parking Area on any day when an All-Star, intra-divisional or inter-divisional playoff, or World Series game is played.

4.3 Exclusive Use on Game Days. The Club shall have exclusive use of the Domed Stadium for Home Games and Related Activities during the entirety of all Home Game Days. The County shall not use the Domed Stadium for any purpose, nor permit the use of the Domed Stadium by any other party for any purpose on Home Game Days without the prior written consent of the Club.

4.4 Use of Domed Stadium for Other Baseball Games.

The Domed Stadium shall not be used for any professional baseball games other than those involving the Club, or hosted or promoted by the Club, without the prior written consent of the Club.

4.5 County to Furnish Domed Stadium. On Home Game Days the County shall furnish and make available to the Club the entire Stadium Premises, fully equipped, operating, lighted and staffed for baseball game purposes no later than three (3) hours prior to game time; provided that the playing field shall be available for the practice of baseball at least 30 hours prior to the scheduled starting time of any Home Game.

4.6 County to Furnish Utilities. On any Home Game Day the County shall furnish and have available at the Domed Stadium all utilities required for the use of the Domed Stadium as an arena for professional baseball games, together with such technical and other personnel as are required to maintain and operate such utilities.

4.7 Other County Functions. The County shall be responsible for all other functions relative to the operation and maintenance of the Domed Stadium, including furnishing all utilities, adequate press facilities, first aid facilities, ticket vault, and the like, except as expressly undertaken herein by the Club.

4.8 Stadium Personnel. The County shall employ and train an adequate number of personnel, including ticket sellers, ticket takers, scoreboard operators and technicians, public address announcers and technicians, ushers, attendants, sweepers, maintenance personnel, security personnel, first aid staff (including nurses and doctors), parking lot attendants and all other personnel reasonably necessary for the operation of the Domed Stadium as a Major League Baseball facility, including any and

all persons who may be required by any governmental body or authority for the maintenance of all traffic and crowd control and compliance with fire and any and all other governmental laws and regulations. The number, identity, sufficiency of training, and competency of all such personnel shall be subject to the Approval of the Club.

4.9 Treasury Functions. The Club shall have the right to supervise and manage all treasury functions at the Domed Stadium relative to its operations, including ticket control, ticket sales, money counting and the like.

4.10 Presentation of Baseball Games. The Club shall assume full responsibility for the presentation of its Home Games including the payment of all expenses of its own team, guaranties and payments to visiting teams and other expenses incident to the playing of games.

4.11 Use Payments. In consideration for the license to use the Domed Stadium as provided in this Article, the Club shall pay to the County annual consideration determined as follows:

(a) During the first five (5) years of the Term, for all Regular Home Games, an amount equal to the greater of (i) five percent (5%) of the Ticket Sale Proceeds derived from the first one million (1,000,000) of Paid Attendance during each Season, or (ii) a Minimum Consideration of \$125,000 per annum, plus an amount equal to five percent (5%) of the Ticket Sale Proceeds derived from all Paid Attendance in excess of one million (1,000,000) during such Season, less the amounts payable under Article Eleven for the lease year which includes such Season.

(b) For the balance of the Term, for all Regular Home Games, an amount equal to the greater of (i) seven percent (7%) of the Ticket Sale Proceeds derived from the first one

million (1,000,000) of Paid Attendance during each Season, or
(ii) a Minimum Consideration of \$160,000 per annum, plus an amount equal to five percent (5%) of the Ticket Sale Proceeds derived from all Paid Attendance in excess of one million (1,000,000) during such Season, less the amounts payable under Article Eleven for the lease year which includes such Season.

(c) In addition to the consideration set forth in subsections (a) and (b) above, for all other Home Games, including but not limited to exhibition games, intra-divisional or inter-divisional playoff games, All Star games, and World Series games (other than mutually agreed upon charity games), the sum of \$2,000 for each such other Home Game.

(d) The Club agrees to pay to the County, for all functions to be performed by it as set forth in sections 3.4, 4.6, 4.7 and 4.8, the sum of \$5,000 for each Home Game Day during the first year of the Term, said \$5,000 to be increased each year during the Term by an amount equal to five percent (5%) thereof, or \$250 per annum, so that, for example, during the thirtieth year of the Term such sum will be \$12,250 per Home Game Day. No fee shall be payable hereunder with respect to any Home Game Day if the Home Game scheduled to be played on such day is not a game of record for reasons relating to operational failures of the Stadium.

4.12 Time of Payment. The use payments provided for in section 4.11 shall be due and payable as follows:

(a) For any Season, the Minimum Consideration of \$125,000 or \$160,000, as the case may be, less the amounts payable under Article Eleven for the lease year which includes such Season, shall be paid in quarterly installments each year during the Term on or before the last day of each calendar quarter, beginning June 30, 1977. Any excess consideration payable as a

result of the application of the percentages set forth in subsections 4.11(a) or 4.11(b) and as a result of the Club playing Home Games other than Regular Home Games, shall be paid on or before October 31 of each year during the Term.

(b) All sums payable under subsection 4.11(d) shall be paid on the last day of each month during each Season of the Term.

4.13 Books, Records and Inspection. The Club shall keep accurate books and accounts of the matters upon the basis of which the use payments specified in section 4.11 are to be computed and ascertained. Such books and records shall be open and available for inspection by the County upon the official request of the Stadium Director during regular working hours between Monday and Friday. The County covenants and warrants that it will keep the information acquired from the examination of such books and records confidential and that it will not disclose any of such information directly or indirectly or use such information for any purpose during the term of this agreement or any time thereafter except with respect to the disclosure of information concerning the amount of the use payments made to the County pursuant to section 4.11.

4.14 Revenues. The Club shall be entitled to receive and (as between itself and the County) retain the following:

(a) Ticket Sale Proceeds. Subject only to its obligations to pay consideration to the County based on Ticket Sale Proceeds, all Ticket Sale Proceeds.

(b) Concession Revenues. The greater of (i) twenty percent (20%) of Gross Concession Revenues derived during Home Game Days, or (ii) \$372,000 per annum. Said percentage of those revenues shall be payable to the Club promptly after the County receives those revenues from the Concessionaire. Any additional amount payable in any year resulting from the above

specified annual minimum concession revenue shall be paid on or before October 31 of that year.

(c) Baseball Novelty Revenues. All gross revenues derived from the sale of Baseball Novelties.

(d) Programs. All gross revenues derived from the publication, including advertising, and sale of programs and/or score cards, it being understood that all costs of production and distribution thereof will be the responsibility of the Club.

(e) Stadium Advertising. Twenty percent (20%) of Adjusted Gross Stadium Advertising Revenue.

(f) Parking Revenues. Adjusted Gross Stadium Parking Revenues;

(g) Broadcast Revenues. Subject to the provisions of this agreement relating to pay television, all gross revenues derived from any broadcasts and/or telecasts of any baseball games played by the Team pursuant to any agreement between the Club and broadcasters, and all gross revenues derived from any broadcast and/or telecast of any baseball games played by other Major League Baseball teams and payable to the Club pursuant to agreement between The American League and/or the Commissioner of Baseball and broadcasters.

ARTICLE FIVE

Selection of Dates for Home Games

5.1 Dates of Games. The parties recognize that it is customary for the schedules for professional baseball games to be made by The American League in the winter of each year and that the Club will be unable to specify the dates of its Regular Home Games until the American League Schedule is established. The County will therefore not contract for other events in the Domed Stadium during the Season without notice to and the receipt of written approval of the Club, until The American League Schedule

is received by the Stadium Director. The Club agrees to provide a copy of the American League Schedule for the next Season to the Stadium Director within 5 days following receipt thereof by the Club, but in no event later than February 1 preceding that Season. The parties recognize the need for the Club to maintain flexibility in the availability of the Domed Stadium for all Home Games.

5.2 Scheduling of Games. The Club shall have priority in the scheduling of dates for use of the Stadium Premises over all other users of the Domed Stadium during each Season throughout the Term, including intra-divisional and inter-divisional playoff, World Series, make-up, All-Star and exhibition games, and the like, provided it shall use its best efforts to cooperate with the Seattle Professional Football team in the scheduling of games in the months of August, September and October of each Season.

ARTICLE SIX

Tickets

6.1 Seats. The sale of tickets (whether individual game tickets or season tickets or tickets affording the purchaser the right to purchase a season ticket for the same seat the following year) by the Club as to all Seats in the Domed Stadium shall be under the exclusive control of the Club.

6.2 Tickets and Ticket Prices. Prices to be charged for tickets to Home Games by the Club, including prices to be charged for season tickets and the Home Games to be included in a season ticket package, shall be under the exclusive control of the Club. The Club shall furnish all tickets for Home Games at its expense.

6.3 Advance Ticket Sales. The County shall provide adequate facilities, including ticket sellers, for advance ticket sales by the Club at the Domed Stadium, including a facility within the stadium building.

6.4 Complimentary Tickets.

(a) The number of complimentary tickets or complimentary admissions to Home Games of the Club issued to the Club's players and staff and the visiting team's players and staff shall not exceed 300 per game.

(b) The number of complimentary tickets or complimentary admissions to Regular Home Games for all other purposes, including the Club's promotional events, charity groups, and the like, shall not exceed 1,000 per Regular Home Game, provided, however, that this limitation shall not apply to complimentary admissions resulting from special promotional events by the Club whereby complimentary admissions may be offered by the Club on a particular day to a general class of spectators, e.g., a "Little League Day," a "Ladies Day," a "Family Day," and the like.

(c) Complimentary admissions to or credentials issued to officials and personnel of The American or National League, or to league teams other than the visiting team, to the press and broadcast and similar personnel, and credentials for persons working or performing in the Domed Stadium, shall not be counted as a complimentary admission or complimentary ticket under subsections 6.4(a) or 6.4(b) above, unless those persons are given the right to occupy seats generally available to the public, in which case such complimentary admissions shall be included in the limitation established in subsections 6.4(a) or 6.4(b), as the case may be.

ARTICLE SEVEN

Access to Press Box and Owners' Box

On the day of Home Games in the Domed Stadium, the Club shall have exclusive control of access to the press box and the Owners' Box for a period beginning three (3) hours prior to game

time and ending three (3) hours after the end of the game, provided that the Stadium Director and County personnel designated by the Stadium Director as essential to the operation of the press box shall be afforded reasonable access thereto.

ARTICLE EIGHT

Concessions

8.1 Food and Beverages. The County may sell food and beverages, or may authorize others to do so, in the Domed Stadium on Home Game Days. The County shall require every food and beverage concessionaire operating under a contract with the County to so operate on Home Game Days as to provide reasonable service and food and beverages of wholesome quality at reasonable prices. Neither the County nor any such concessionaire shall sell any such items on Home Game Days without previously consulting with the Club as to the types, brands, quantities and prices of the products to be sold.

8.2 Baseball Novelties. The Club shall have the exclusive right to sell Baseball Novelties at the Domed Stadium on Home Game Days.

8.3 All Other Items. The Club shall also have the exclusive right to sell any other items at the Domed Stadium on Home Game Days, except to the extent that the Concessionaire has the right to sell any items under the terms of the Concession Agreement (it being understood that the latter exception will expire upon the expiration or termination of the Concession Agreement).

8.4 Concession Facilities. The County shall use its best efforts to provide suitable facilities for the sale of said items by the Club at the Domed Stadium on Home Game Days. In addition, the Club may, on Home Game Days, provide temporary stands, at its own expense, for the sale of said items; provided,

that the size, construction and location of such stands shall not impede the normal and safe flow of vehicular and pedestrian traffic in and around the Domed Stadium and shall be subject to the approval of the Stadium Director. At its option, the Club may also sell said items through the Concessionaire or through the County's food and beverage concessionaires for a commission to be negotiated by the Club and the concessionaires and approved by the County.

8.5 Control of Concessionaires. The County agrees that all decisions made by it under the Concession Agreement and under any present and future concession agreements with food and beverage concessionaires relative to any and all activities of the concessionaires at the Domed Stadium on Home Game Days will be subject to the Approval of the Club.

ARTICLE NINE

Scoring and Information System

9.1 Public Address System. As a part of the Domed Stadium the County will provide, maintain and operate a public address system. The Club will have the exclusive use and control of the public address system within the Domed Stadium on the Day of Game; provided, however, that such public address system shall not be used for political purposes, and further provided that the County shall have the right of access for emergency purposes, including, but not limited to, general announcements and crowd control.

9.2 Scoreboard. The County shall, during the Term, provide, maintain and operate one primary scoreboard and one auxiliary scoreboard, each of which shall have the capability of presenting, on a fixed format basis, game-in-progress information relating to a baseball game, including, but not limited to: runs, hits and errors on both an inning and cumulative basis; the

ball, strike, and out count; and the inning number. The County shall be responsible for the actual operation of the scoreboard; provided, that the Club shall have exclusive control of the scoring information presented on the scoreboard portions of the main and auxiliary scoreboards only; but the Club shall not have exclusive control of the operation of the video screen of the main scoreboard.

9.3 Video Screen. As a part of the Domed Stadium, the County shall provide, maintain and operate a video screen which is in accordance with the contract it entered into with the Conrac Corporation, dated August 5, 1975, for the transmission of "instant replays", commercial messages, and other information. The County shall be responsible for the operation of the video screen; provided, that except as provided in section 9.4, the Club shall have the exclusive control of timing of information displayed on the video screen.

9.4 Advertising on Video Screen. It is understood by the County and the Club that the County is selling advertising on the scoreboard and the video system which includes fixed advertising panels on the primary and on the auxiliary scoreboard and spot advertising on the video screen, and that the revenue generated therefrom is committed to amortize the costs of the scoreboard. The County shall have the right to display up to nine minutes of commercial message time on the video screen. The Club shall determine, in conjunction with the County, the timing of such commercial message time, provided that such commercial message time shall occur on the day of game and between 10 minutes prior to the commencement of a baseball game and the end thereof and during the interval between doubleheader games, and provided further that such time shall be fairly distributed within the period. The Club is not entitled to sell or display

commercial advertising on the video screen but shall be entitled to display thereon such messages to promote baseball games to be played by the Club's team, away or at home and related events and activities (including, without limitation, broadcasts and telecasts of team games) and public service announcements as the Club shall determine.

ARTICLE TEN

Broadcasting

10.1 Broadcast Rights. Subject to the provisions of section 10.4, the Club shall have and retain exclusive broadcast and reproduction rights incident to each Home Game including, but not limited to, radio and television broadcasting, film or tape rights, closed circuit, cable or pay television rights and similar rights by whatever means or process now existing or hereafter developed of preserving, transmitting and reproducing for hearing and/or viewing day of Home Games and Related Activities in the Domed Stadium, including the right to produce, make and see video cassettes of any such filmed or taped Home Games and Related Activities. Such broadcasts shall not be used for political purposes, except for regular advertising commercials. All proceeds from such broadcast rights shall be retained by the Club.

10.2 Broadcast Facilities. With regard to the broadcast and reproduction rights referred to in section 10.1, the County shall cooperate with the Club and with those parties actually producing any of such broadcasts and reproductions in all phases of the preparation, broadcast and production of Home Games and the attendant activities. In connection with any of such broadcast activities, the County shall provide access to the Domed Stadium and the necessary maintenance personnel and all utilities at the request of the Club. The Club shall be author-

ized to issue a reasonable number of credentials for admission to the Domed Stadium of personnel engaged in such broadcasts and reproductions and the installation and removal of broadcast and reproduction equipment.

10.3 Camera Facilities. As part of the Domed Stadium, the County shall provide facilities adequate for the use by the Club and the broadcasting media for the purpose of filming, taping and broadcasting the on-field activities.

10.4 Pay Television Broadcasts. The Club shall not authorize or otherwise participate in any Pay Television Broadcast of any Regular Home Game to locations within a 75-mile radius of the Domed Stadium without the prior written consent of the County Executive; provided, however, that Pay Television Broadcasts shall be authorized within a 75-mile radius of the Domed Stadium if the Club will guarantee that the County will not suffer any loss of revenue in rental, parking and net concession income. In determining whether the County shall have suffered a loss of rental, parking or net concession revenue, it is understood that the County shall be deemed to have suffered loss if the total of the rental, parking and net concession revenue received by the County in the year in which any such broadcast will occur, is less than the total of the average income received by the County from said rental, parking and net concession revenue during all Home Games of the preceding three (3) years. It is further understood and agreed that a Pay Television Broadcast within a 75-mile radius of the Domed Stadium shall not be authorized within the first three (3) years of the Term.

ARTICLE ELEVEN

Lease of Home Team Locker Room and Parking Spaces

11.1 Leased Premises. Throughout the Term, the Club shall have the exclusive right to use the Club Facilities and

fifty (50) parking spaces at a mutually agreeable location within the Existing Stadium Parking Area, said spaces to be a part of those specified in section 4.2.

11.2 Rental. The Club shall pay an annual rental of \$6,000 for the Home Team Locker Room and the Owners' Box, plus a rental of \$15 per month for each parking space described in section 11.1. The rental amount of any storage area and any office facilities shall be determined when said areas are established, if ever. Such rentals shall be payable in the manner set forth in section 4.12.

11.3 Office Facilities.

(a) During the period of November 1, 1976 to March 14, 1978, upon request, the County shall make available to the Club at least 7,500 square feet within or adjacent to the Domed Stadium at a location to be mutually agreed upon by the parties for the placement by the Club of portable structures for use by the Club as temporary offices.

(b) The County shall use its best efforts to provide to the Club adequate space within the Domed Stadium for the construction therein by the Club, at its expense, of permanent office facilities. If, for any reason, it is impossible to situate permanent office facilities within the Domed Stadium, the County shall in any event at all times during such Season make available for use by the Club adequate private meeting room space within the Domed Stadium for Club executives.

(c) For all such office facilities, whether temporary or permanent, the County shall provide the maintenance services, utilities, and security services described in section 11.5.

11.4 Storage. The County shall use its best efforts to provide to the Club adequate storage space in the Domed Stadium;

if such space is provided, it shall become a part of the Club's Facilities.

11.5 Maintenance, Utilities and Security. At all times during the Term, it shall be the obligation of the County, with respect to the Club Facilities, to:

(a) Provide the janitorial and maintenance services necessary to maintain those facilities in a neat, clean, safe and sanitary condition and in a good state of repair;

(b) Replace burned out, broken or defective light bulbs or tubes and furnish all washroom and toilet supplies;

(c) Furnish those facilities with hot and cold water and with electricity, and with heat, ventilation and air conditioning at comfortable working levels during the normal working hours of the Club's personnel; and

(d) Furnish reasonable security services therefor.

11.6 Access. The Club, its personnel and its licensees and invitees shall have access at all times during each year throughout the Term to the Club's Facilities; provided, that during non-baseball events at the Domed Stadium, no person may have access to the Owners' Box unless, if required by the promoter of such event, he shall have purchased an admission ticket for such event.

ARTICLE TWELVE

Default

12.1 Nonexcusable Acts of Default by the Club. The County shall have the right to terminate this lease in its entirety in the event that the Club shall not, within one hundred and twenty (120) days of receipt of notice thereof, cure (or commence to cure and then prosecute the curative action with diligence, but in any event cure within two hundred forty (240) days of receipt of such notice) any of the following events of default:

this agreement. If at the time of any such re-entry by the County there will be any personal property (including trade fixtures) of the Club or of any other person (other than the County) in those re-entered areas, the County may remove any such personal property and place the same in a public warehouse at the expense and risk of the owners thereof. The Club shall reimburse the County for any expense incurred by the County in connection with any such removal and/or storage.

Upon such termination by the County, all rights, powers, privileges and authority granted to the Club under this agreement shall immediately cease and the Club shall vacate the premises immediately.

The remedies provided the County herein upon termination shall not be considered to be exclusive but instead shall be cumulative and shall not affect any other right or remedy available to the County.

ARTICLE THIRTEEN

Specific Enforcement

The parties recognize that the exhibition of Major League Baseball games at the Domed Stadium throughout the Term is a unique and valuable consideration which cannot be replaced by the payment of money; that the County has entered into this agreement in consideration not only of the payments herein specified, but also in order to secure Major League Baseball for the citizens of King County; that the County's further purpose in entering into this agreement is to obtain for itself and its citizens economic benefits throughout the entire Term in the form of increased business revenues, personal income, and tax revenues; and that in the event of a breach by the Club of its agreement to play a full schedule of Regular Home Games during each year of the Term (it being understood that if required by

(a) The occurrence of any act or omission on the part of the Club which operates to deprive it of the right, powers, licenses, and authorizations necessary for the lawful and proper conduct and operation of the services and activities authorized herein; or

(b) The filing by or against the Club of any petition in bankruptcy, either voluntary or involuntary; or

(c) The making by the Club of an assignment for the benefit of creditors; or

(d) The abandonment or discontinuance without the written consent of the County of any or all of the operations of the Club under this agreement; or

(e) The failure of the Club to pay the considerations required under the terms of this agreement; or

(f) The failure of the Club to perform, keep and observe any of its obligations hereunder.

12.2 Excusable Act of Default. Any condition, occurrence or delay which substantially interferes with the Club's performance hereunder due to force majeure causes or any other circumstances found and determined by the County to be beyond the reasonable control of the Club, shall excuse performance by the Club of its contractual obligations under this agreement, including the payment of rental and other considerations to the County as provided herein, for the period of such substantial interference, notwithstanding anything to the contrary stated herein.

12.3 Termination Procedure. Termination of this agreement by the County shall be by written notice authorized by the County Executive and directed to the Club. Upon termination, the County shall have the right, immediately and without further notice, to enter and take full and exclusive possession of the area occupied by the Club in connection with its operations under

The American League, the Club may play up to five (5) of its regular season games for which it is the host team, in any other city), the County would be damaged in ways which could not adequately or properly be compensated in damages. It is therefore agreed and covenanted that, except for any requirements of The American League as aforesaid in this section:

(a) The Club shall play a full schedule of Regular Home Games at the Domed Stadium each Season during the Term;

(b) The Club shall not cause or permit any of its Regular Home Games to be played at any other stadium or in any other city without the express written consent of the County; and

(c) The Club shall not assign or transfer to any other person a controlling interest in its American League franchise, nor assign any of its rights hereunder, except to such persons as may be approved by The American League and who agree to perform the Club's obligations hereunder; and

(d) The covenants made herein by the Club, including, without limitation, the provisions of subsections (a) (b) and (c) above, shall be specifically enforceable at the option of County in an action to be brought in the Superior Court of the State of Washington for King County.

ARTICLE FOURTEEN

Conditions

14.1 Conditions Precedent. This agreement shall become effective only upon the satisfaction on or before April 30, 1976 of the following conditions precedent:

(a) Acquisition of Team, Approval by American League. The Club shall have entered into an agreement with The American League to acquire a franchise therein and player contracts sufficient to enable the Club to field a team for the exhibition of Major League Baseball in Seattle for the 1977 Season;

(b) Legal Matters. The King County Council shall by resolution or ordinance have approved this agreement, and the King County Prosecutor shall have delivered to the Club his opinion, in form and substance satisfactory to the Club and its counsel, that this agreement has been duly and validly authorized and executed, and constitutes a binding legal obligation of the County; and

(c) Opinion of Counsel for Club. Messrs. Bogle and Gates, counsel for the Club, shall have delivered to the County their opinion, in form and substance satisfactory to the County and the King County Prosecutor, that this agreement has been duly and validly authorized and executed, and constitutes a binding legal obligation of the Club.

14.2 Condition Subsequent. If, because of a failure of fulfillment of any of the conditions precedent to closing set forth in that certain agreement dated as of February 6, 1976 between the Club and The American League, the acquisition by the Club of an American League franchise and player contracts does not close on or before February 1, 1977, the Club shall have the right, upon written notice to the County, to terminate this Agreement.

ARTICLE FIFTEEN

Miscellaneous

15.1 Powers of the County. Nothing contained in this agreement shall be considered to diminish the governmental or police powers of the County.

15.2 Rules and Regulations. The activities of the Club in owning and playing a professional baseball team in The American League and all matters related to such activities, including the obligations of the Seattle American League team under this agreement, are subject to the constitution, bylaws and rules and

regulations of The American League, and all other agreements and rules governing the conduct and exhibition of professional baseball, provided, however, that none of such constitutions, agreements, bylaws, rules and regulations shall relieve the Club of its obligation to play its Regular Home Games in the Domed Stadium in accordance with this agreement.

15.3 Warranties, Special Covenants. The Club hereby warrants to, and specially covenants with, the County as follows:

(a) That the Club is a party to a contract to acquire the Seattle franchise of The American League, which will permit and authorize the Club to operate a professional baseball team in the Domed Stadium starting with the 1977 Season;

(b) That, to the Club's best knowledge, no rule, policy, constitution, bylaw or agreement (or any provision of any thereof) of The American League or the Major Leagues in any manner or respect prohibits, limits or in any manner affects the right or power of the Club to enter into, accept or perform each and every one of the terms, commitments and provisions of this agreement;

(c) That none of the partners in the Club are directly or indirectly a party, or parties, to any contract, agreement, commitment or understanding of any nature or kind with any other party or parties, the terms of which prohibit, limit, restrict or affect the right and power of the Club to enter into, execute and perform its obligations under this agreement to the full extent hereof.

15.4 Stadium Club. The County hereby accords to the Club, in conjunction with Seattle Professional Football, the right at any time during the Term to construct and operate a Stadium Club, for no additional consideration.

15.5 Renegotiation of Consideration.

(a) The County agrees that if, at any time during the Term, this agreement or the Club's rights hereunder or the Club's periodic use of the Domed Stadium or the consideration payable hereunder (except as to the Club's rights with respect to the leased premises referred to in section 11.1 hereof) are or will be subject to ad valorem taxation or to an excise tax thereon payable by the Club, the parties will renegotiate the consideration payable hereunder in good faith to compensate for the adverse impact on the Club of such tax.

(b) The resolution of any disputes with respect to paragraph (a) above shall be submitted to arbitration. Either party may invoke arbitration by giving notice to the other, in which notice such party shall name an arbitrator. The other party shall have fifteen (15) days thereafter in which, by notice to the first party, it shall name an arbitrator, and if it fails to do so, the arbitrator named by the first party shall be the sole arbitrator. If both parties timely name arbitrators, the two such arbitrators shall, within fifteen (15) days after the second arbitrator is named, appoint a third arbitrator, who shall be chairman. A decision by a majority of the arbitrators shall be final. Each party shall pay the expenses of its arbitrator and the expenses of the third arbitrator shall be shared equally.

15.6 Force Majeure.

(a) This agreement shall be subject to force majeure (hereafter "force"), including, but not limited to fire, accidents, labor disputes, riots, civil disturbances, war, government regulations, judicial decrees, and other causes beyond the control of either party whereby the fulfillment of this agreement may be made impossible.

(b) Temporary Situations. If the Club will be prevented by such "force" from exhibiting professional baseball

in the Domed Stadium or from carrying out the American League Schedule in any Season during the Term, the Club, without payment of the consideration provided for herein, may not play Home Games or may play Home Games elsewhere without such play of Home Games being an act of default under this agreement during the period of time that such "force" continues in effect. If such "force" is of less than a full Season's duration the Minimum Consideration shall be prorated as the number of Home Game Days actually played in the Domed Stadium during such Season bears to the originally scheduled number thereof.

(c) Termination of Agreement. If the Stadium Premises are damaged or destroyed by any "force" which is then covered (or should have been covered, in accordance with the terms hereof) by insurance to the extent of 90% or more of the loss, the County shall proceed with due diligence to rebuild or restore the damaged area in order to render the same usable under the terms of this agreement as soon as is practicable. If any "force" causes damage or destruction which is not then covered to that extent (and was not required by the terms hereof to be covered to that extent) by insurance, the County may, at its option, elect to rebuild or restore the damaged area from any funds available to it. In the latter event, if the County will elect not to rebuild or restore the damaged area, the County shall give the Club written notice to that effect within 60 days after the occurrence of the "force," at which time either party shall have the right to terminate this agreement by written notice to the other party.

15.7 Notices. Any notice or communication hereunder shall be in writing, and may be given by registered or certified mail. If given by registered or certified mail, the notice or communication shall be deemed to have been given and received

when deposited in the United States Mails, properly addressed, with postage prepaid. If given otherwise than by registered or certified mail, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notices or communications shall be given to the parties hereto at their following addresses.

If to the County:

County Executive
King County, Washington
Seattle, Washington 98104

and

Stadium Director
King County Domed Stadium
Seattle, Washington 98104

If to the Club:

Seattle Baseball Club
P. O. Box 3010
Bellevue, Washington 98009

and

Bogle & Gates
The Bank of California Center
Seattle, Washington 98164

Any party hereto may at any time, by giving ten (10) days written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice or communication shall be given.

15.8 Nondiscrimination. The Club agrees to comply with all applicable Federal, State and County laws regarding nondiscrimination, and specifically agrees not to discriminate against any employee or applicant for employment because of race, color, religion, creed, sex, or national origin.

15.9 Taxes. The Club agrees to pay on a current basis all taxes or assessments levied on its activities and property; provided, however, that nothing contained herein shall modify the right of the Club to contest any such tax and the Club shall not

be deemed to be in default as long as it shall in good faith, be contesting the validity or amount of any such taxes.

15.10 Successors and Assigns. The terms and provisions of this agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. On the death of any member of the Club, the assignment of such member's interest in the Club by his personal representative to the deceased member's heirs or legatees, or the sale of such member's interest by his personal representative to the Club or to its other members, or the sale by the personal representative of such member's interest to a financially responsible third person or other entity approved by the Club and The American League shall result in the release and discharge of the deceased member's estate and personal representative from any liabilities hereunder accruing from and after the date of his death.

15.11 Additional Remedy. If a default by the County with respect to the performance of its obligations set forth in section 4.8 will not be timely cured after notice, written or verbal, to the Stadium Director, the Club shall have the right to perform the delinquent obligation of the County and to offset the reasonable costs thereof against any payments next due to the County.

15.12 Costs and Attorneys' Fees. If either party shall commence suit to enforce any term or condition or covenant herein, or in any other action for relief against the other, declaratory or otherwise, arising out of this agreement, the nonprevailing party in such action shall pay the prevailing party, in addition to any judgment, a reasonable sum as attorneys' fees together with costs of suit at both trial and appellate levels.

15.13 Indemnity.

(a) The County shall indemnify and save the Club harmless from all loss, damage, liability or expense (including

expense of litigation) arising out of or resulting from any actual injury to, or death of, any person, or from any actual loss of, or damage to, property belonging to any third person not a party to this agreement, caused by, or resulting from any of the following events, to the extent such events are not caused by or result from conduct, actions, or omissions of the Club, its members, agents, representatives, employees, contractors, guests, invitees, customers, or visitors:

(i) Any occurrence on or about the Stadium Premises or Domed Stadium; or,

(ii) Any defect in the Domed Stadium; or,

(iii) Any defect in the Stadium Premises;

provided, however, that if a defect should occur in an area constructed by or under the authority of the Club, its agents, employees or contractors, any injury, death, damage, or loss resulting therefrom shall be exempted from the scope of this subsection; or

(iv) Any act or omission, whether negligent or otherwise, of the County or any officer, agent, employee, contractor, guest, invitee, customer, or visitor of the County, in or about the Stadium Premises or the Domed Stadium.

If the Club is joined in any suit or action wherein events are alleged as falling within the scope of this subsection, the Club shall tender such suit or action to the County and the County shall defend the Club at the County's expense. The County shall not be liable for any attorneys' fees incurred by the Club prior to any such tender.

(b) The Club shall indemnify and save the County harmless from all loss, damage, liability, or expense (including expense of litigation) arising out of or resulting from any actual injury to or death of any person, or from any actual loss

of, or damage to, property belonging to any third person not a party to this agreement, caused by or resulting from any of the following events, to the extent that such events were caused by or resulted from the conduct, actions, or omissions of the Club, its members, agents, representatives, employees, contractors, guests, invitees, customers, or visitors:

(i) Any occurrence on or about the Stadium Premises or Domed Stadium; or,

(ii) Any defect in the Stadium Premises to the extent that such Stadium Premises were constructed by or under the authority of the Club, its agents, employees, or contractors; or,

(iii) Any act or omission, whether negligent or otherwise, of the Club or any officer, agent, employee, contractor, guest, invitee, customer, or visitor of the Club, in or about the Stadium Premises or the Domed Stadium;

provided, however, that if the conduct, action or omission of the Club, its members, agents, representatives, employees, contractors, guests, invitees, customers or visitors which causes or results in such events is, in turn, caused by, or results from, the failure or omission of the County to provide adequate security, first aid facilities or personnel, fire prevention or fire fighting equipment or personnel, or any other equipment or personnel, as required in this agreement, or if the extent thereof would have been limited, but for any such failures or omissions by the County, then the Club's obligations of indemnity shall not apply or shall be limited accordingly, as the case may be.

Should the County be joined in any suit or action wherein events are alleged as falling within the scope of this subsection, the County shall tender such suit or action to the Club and the Club shall defend the County at the Club's expense.

The Club shall not be liable for any attorneys' fees incurred by the County prior to any such tender.

(c) If the Club shall be joined or named as a party to any suit or action in which the County is a principal party, solely by reason of the Club's entering into this agreement or being a party hereto, the Club may tender the defense thereof to the County and the County shall indemnify the Club and save it harmless from all costs and expenses incurred by the Club with respect thereto including reasonable attorneys' fees.

15.14 Special Provision with Respect to Advertising.

The American League, the Major Leagues and the Club shall not be restricted or hampered in broadcasting or telecasting games played in the Domed Stadium or in any promotional matters relating to the Club so long as there is no violation of the Federal Communications Commission's regulations and/or the National Association of Broadcasters Code of Ethics and/or any federal, state or local laws or regulations as they pertain to advertising.

15.15 Non-Waivers. Neither the waiver by either party to this agreement of any breach of any agreement, covenant, condition or provision hereof, nor the failure of either party to

seek redress for violation of, or to insist upon strict performance of, any such agreement, covenant, condition or provision shall be considered to be a waiver of any such agreement, covenant, condition or provision or of any subsequent breach thereof. No provision of this agreement may be waived except by written agreement of the party to be charged.

15.16 Governing Law. This agreement has been made under and shall be construed in accordance with the laws of the State of Washington.

15.17 Paragraph Headings. The paragraph headings contained herein are only for convenience and reference and are not intended to be a part of this agreement or in any manner to define, limit or describe the scope or intent of this agreement or the particular paragraphs to which they refer.

15.18 Entire Agreement. This agreement constitutes the entire agreement between the County and the Club and may not be altered, amended or modified except by an instrument in writing signed by the parties hereto with the same formality as this agreement.

15.19 Time of the Essence. Time is of the essence with respect to the availability (as set forth in section 3.3) of the Stadium Premises for use by the Club.

15.20 No Partnership. Nothing contained herein shall make, or be deemed to make, the County and the Club a partner of one another, and this agreement shall not be construed as creating a partnership or joint venture between any of the parties hereto or referred to herein.

15.21 Singular and Plural. Wherever the context shall so require, the singular shall include the plural and the plural shall include the singular.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this _____ day of February, 1976.

KING COUNTY, WASHINGTON

By _____
John D. Spellman,
County Executive

Approved:

Norman K. Maleng,
Chief Civil Deputy
King County Prosecuting Attorney

SEATTLE BASEBALL CLUB

By _____
Lester M. Smith,
Managing Partner

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this _____ day of _____, 1976, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared John D. Spellman, to me known to be the King County Executive who executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of King County, for the uses and purposes therein mentioned, and on oath stated that subject only to the provisions of section 14.2 he is authorized to execute the said instrument.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Notary Public in and for the State
of Washington, residing at _____

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

On this 8 day of February, 1975, before me, personally appeared Lester M. Smith, to me known to be the Managing Partner of Seattle Baseball Club, the partnership that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

Lester M. Smith
Notary Public in and for the State
of Washington, residing at Seattle, Washington

EXHIBIT A

to

KING COUNTY - SEATTLE BASEBALL CLUB AGREEMENTLegal Description

The Domed Stadium is situated on the following described real estate in King County, Washington:

PARCEL 1: Those portions of lots nineteen (19), twenty (20), twenty-one (21), twenty-two (22) and twenty-three (23) and of the south ten (10) feet of lot eighteen (18), all in block three hundred twenty-five (325) of Seattle Tide Lands, lying between lines parallel with and distant respectively one hundred thirteen and five-tenths (113.5) feet and two hundred three and five-tenths (203.5) feet easterly, measured at right angles, from the east line of Occidental Avenue; and

PARCEL 2: That portion of lots 11, 12, 13, 14, 15, 16 and 17, the south 40 feet of lot 10 and the north 50 feet of lot 18, block 325, of Seattle Tide Lands, according to the official map thereof, lying west of a line parallel with and distant 8.5 feet westerly, measured at right angles, from the centerline of the first track as now constructed east of the building known as the former Safeway Produce Building and a south production of the tangent thereof, and east of a line parallel with and distant 8.5 feet easterly measured at right angles, from the most westerly track as now constructed; except that portion of lots 10 and 11 now occupied by that certain building north of said former Safeway Building under that certain lease #97901, dated November 30, 1966, made by Northern Pacific Railway Company, which has been succeeded by Burlington Northern Inc., a Delaware Corporation.