

NORTH CAROLINA
LENOIR COUNTY

FIRST AMENDMENT TO
STADIUM LEASE

THIS LEASE AMENDMENT is made and entered into this 4th day of December, 2017, by and between CITY OF KINSTON, a municipal corporation and body politic in Lenoir County, North Carolina, hereinafter referred to as "Landlord" and RANGERS KINSTON LLC, a Delaware limited liability company, hereinafter referred to as "Tenant";

WITNESSETH:

WHEREAS, the Landlord and Tenant have heretofore entered into a Stadium Lease dated July 21, 2015, a copy of which is attached hereto as Exhibit A and incorporated herein by reference, for that certain premises identified and described therein; and

WHEREAS, the parties desire to amend said Stadium Lease as set forth herein.

NOW THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto agree that the Stadium Lease is amended as follows:

I. (Amending Para. 3). The Primary Term set forth in paragraph 3 of the Stadium Lease shall extend through December 31, 2031.

II. (Amending Para. 4). Tenant shall have the right and option ("Extension Option") to extend the Primary Term for 1 (one) extension period of 3 years ("Extension Term"), upon the same terms and conditions that apply during the Primary Term. To exercise this option, Tenant must deliver written notice to Landlord at least 12 months before December 31, 2031. The word "Term," as used in this Lease, shall be deemed to include, where appropriate, the Primary Term and the Extension Term.


III. (Amending Para. 8.3 and Para. 8.5). The Landlord and Tenant have agreed upon certain improvements, including the Mid-Term Capital Improvements (\$125,000) provided for in paragraph 8.3 of the Stadium Lease and one-half of the Extension Term Capital Improvements (\$250,000) provided for in paragraph 8.5 of the Stadium Lease. The agreed upon improvements shall include clubhouse renovations and weight room, office, and hospitality structure additions, and Landlord and Tenant have agreed that Landlord will accelerate the payment for the said improvements in order to complete said improvements, to the extent of available funds, prior to the 2018 season.

The Landlord and Tenant have agreed that by Landlord accelerating the payment for the Mid-Term Capital Improvements and the Extension Term Capital Improvements as provided above, no further capital improvements shall be required from the Landlord unless and until 2031 upon the exercise by Tenant of its 3-year Extension Option under paragraph 4 of this First Amendment to Stadium Lease.

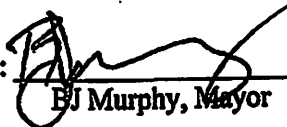
IV. Except as specifically modified herein, the terms and conditions set forth in the Stadium Lease attached hereto shall continue and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Lease Amendment and have hereunto set their seals this the day and year first above written.




Monique Hicks, City Clerk

LANDLORD
CITY OF KINSTON

By: 
BJ Murphy, Mayor

TENANT
RANGERS KINSTON LLC

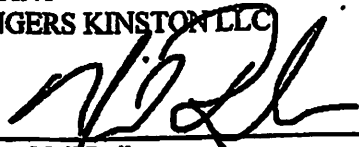
By: 
Neil Leibman,
Individual with Ultimate Authority & CEO

EXHIBIT A

STADIUM LEASE

This STADIUM LEASE (this "Lease") is dated as of July 21, 2015 (the "Effective Date"), and is entered into by and between the CITY OF KINSTON, a municipal corporation and body politic in Lenoir County, North Carolina ("Landlord"), and RANGERS KINSTON LLC, a Delaware limited liability company ("Tenant").

RECITALS

A. Landlord is the owner and has lawful possession of the tracts of land described on Exhibit A hereto (the "Land"), and the buildings, parking facilities and other improvements thereon known locally as Grainger Stadium (collectively, the "Stadium");

B. Tenant is in the process of becoming the franchisee of a minor league (Class High A) baseball team, the franchise having been granted by the Carolina League, under the authority of Minor League Baseball ("MiLB") and relocating that franchise to Kinston, North Carolina;

C. Tenant is subject to certain rules and regulations issued by Major League Baseball ("MLB") including, but not limited to, Major League Rule 58, dated December 13, 1990, establishing "Standards for Minor League Playing Facilities" or as the same may be amended during the term of this Lease ("Rule 58"), which establishes certain standards for minor league playing facilities;

D. Tenant will - before the 2016 or 2017 baseball season - become a party, to a Player Development Contract (the "PDC") with Rangers Baseball Express LLC, owner of the Texas Rangers Baseball Club;

E. Pursuant to its franchise and PDC, Tenant will operate a minor league baseball team and needs a facility to play its games and otherwise operate its business; and

F. Tenant desires to lease the Stadium from Landlord and Landlord desires to lease the Stadium to Tenant, upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the foregoing and of the mutual conditions, promises and covenants hereinafter contained, the parties agree as follows:

1. **Stadium Lease.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for the term, at the rental, and upon all of the conditions set forth herein, the Stadium.

2. **Use of the Stadium.**

2.1 **Tenant's Use of the Stadium for Professional Baseball Events.** Tenant shall have exclusive use of the Stadium for all of its preseason, regular season and postseason professional baseball games scheduled by the Carolina League and all activities and purposes related or incidental thereto, including, without limitation, the holding of tryouts, the performance of practice, exhibition, all-star and old timers' games (whether sponsored by the Carolina League, MiLB or MLB) and associated fireworks displays and other promotions (collectively, the "Professional Baseball Events"). Tenant shall furnish Landlord its schedule of Professional Baseball Events each season as soon as the playing schedule is established by the Carolina League. Tenant's right to use the Stadium for Professional Baseball Events pursuant to this Section shall be and is senior to Landlord's

(collectively, the "Professional Baseball Events"). Tenant shall furnish Landlord its schedule of Professional Baseball Events each season as soon as the playing schedule is established by the Carolina League. Tenant's right to use the Stadium for Professional Baseball Events pursuant to this Section shall be and is senior to Landlord's right to use the Stadium pursuant to Section 2.2.

2.2 Other Events. Tenant and Landlord shall each have the right to use the Stadium for events other than Professional Baseball Events, such as concerts, college baseball games and military academy games (each an "Other Event"). Professional Baseball Events take scheduling priority over all Other Events. If Tenant plans and organizes the Other Event ("Tenant's Other Event"), Tenant shall retain all revenues and expenses. If Landlord plans and organizes the Other Event, Landlord shall ask Tenant if Tenant wants to participate, and if Tenant elects to participate ("Joint Other Event"), the parties shall split the revenue and expenses such that Tenant will have 80% of the net profit (or loss) and Landlord shall have 20% of the net profit. Net profit shall be calculated by including all direct revenues for the Joint Other Event less all reasonable and direct expenses, without allocation of overhead. If Tenant declines to participate in Landlord's Other Event, Landlord shall retain all of the revenues and expenses.

2.3 Tenant's Exclusive Rights. Subject to the terms and conditions of this Lease, Tenant shall have the exclusive right to do the following:

(a) To use the Stadium during all Professional Baseball Events and Tenant's Other Events;

(b) To use all furniture, fixtures and equipment at the Stadium, including, but not limited to, all existing kitchen equipment, coolers, freezers, cash registers, office furniture, grandstand, scoreboard, video board, and the public address system (collectively, the "FF&E"), at no additional cost;

(c) To sell and display advertising on the outfield fence, concession stands, cafe area, scoreboard, concourse area, outside of the stadium, subject to applicable laws, and other traditional areas for signage;

(d) Subject to the provisions of Section 9, to sell food, drink and souvenir concessions (collectively, "Concessions") to Stadium patrons during Professional Baseball Events and Tenant's Other Events; and

(e) To broadcast any Professional Baseball Events by any means, including but not limited to, radio, television, internet and mobile phone, and retain such revenue;

(f) To sell regular, VIP and preferred parking passes to patrons attending Professional Baseball Events and Tenant's Other Events, provided that Tenant will not charge a fee for regular parking for Professional Baseball Event parking, unless otherwise mutually agreed by Landlord and Tenant.

2.4 Tenant's Operating Standards and Requirements. In its use of the Stadium pursuant to this Lease, Tenant shall do the following:

(a) Use commercially reasonable efforts to maintain high standards of quality of products and courteous, polite and inoffensive conduct and demeanor on the part of its representatives, agents, servants and employees;

(b) Use commercially reasonable efforts to control the conduct, demeanor and appearance of its officers, agents, employees, representatives, customers, guests, invitees, contractors and others doing business with Tenant at the Stadium;

(c) During Professional Baseball Events and any Tenant's Other Events, staff the Stadium with employees or other personnel capable of communicating instructions to patrons and to reasonably offer safety directions to patrons, including, but not limited to, the direction of an evacuation in the event of an emergency;

(d) Select and appoint a General Manager who shall be vested with full power and authority to determine the method, manner and conduct of Tenant's operations at the Stadium and generally available at Tenant's Stadium office or by telephone during regular business hours;

(e) Provide all personnel, including, without limitation, ticket sellers, ticket takers, ushers, clubhouse matrons, clubhouse janitors, team medical persons, switchboard, sound and scoreboard persons, security personnel, supervisory personnel, and all other personnel reasonably necessary for the operation of the Stadium for Professional Baseball Events and Tenant's Other Events;

(f) Maintain its principal offices at the Stadium, which offices shall be open during normal business hours; and

(g) Provide for the sale of Concessions as set forth in Section 9.

3. **Primary Term.** The primary term of this Lease (the "Primary Term") shall commence on the Effective Date and terminate on December 31 of the year in which 12 years of substantive rent has been paid, unless earlier terminated as provided in this Lease. For example, if Tenant begins Professional Baseball Events in 2016 and elects to pay \$1 rent for 2016, then the Primary Term shall end on December 31, 2028.

4. **Extension Option.** Tenant shall have the right and option ("Extension Option") to extend the Primary Term for 2 extension periods of 3 years each (each an "Extension Term"), upon the same terms and conditions that apply during the Primary Term. To exercise this option with respect to the first Extension Term, Tenant must deliver written notice to Landlord at least 12 months before the expiration of the Primary Term, and to exercise this option with respect to the second Extension Term, Tenant must deliver written notice to Landlord at least 12 months before the expiration of the first Extension Term. The word "Term," as used in this Lease, shall be deemed to include, where appropriate, the Primary Term and the Extension Terms.

5. Rent.

5.1 **Initial Payment.** Tenant shall pay Landlord \$1.00 as rental for the period from the Effective Date to the date that the first Professional Baseball Event is held at the

Stadium in calendar year 2016 or 2017 (the "Operational Date"); provided that Tenant may continue to pay \$1 for the first year of Professional Baseball Events (2016 or 2017), with the understanding that 12 years of substantial rental payments are required pursuant to paragraph 3.

5.2 Base Rent. In the year in which Professional Baseball Events commence, and continuing through any Extension Term, Tenant shall pay Landlord base rent ("Base Rent") of \$60,000 per calendar year, subject to a 3% annual increase. Base Rent shall be \$1 annually prior to the paying of Professional Baseball Events and Tenant may elect to continue to pay \$1 Base Rent for the first year of Professional Baseball Events, subject to the Primary Term requirement provided in Section 3. Base Rent shall be paid quarterly throughout the Primary Term and any Extension Term.

5.3 Additional Rent. During the Term, in addition to the Base Rent and any other sums payable by Tenant to Landlord hereunder, Tenant shall pay to Landlord as additional rent each of the following (collectively, "Additional Rent"): .

(a) A charge of \$1.00 for each admission ticket in excess of 150,000 tickets sold for Professional Baseball Events per year, excluding giveaway tickets and promotional tickets (the "Ticket Charge").

(b) Up to \$6,000 annually for reimbursement for repairs required during the baseball season to kitchen equipment, coolers, freezers and cash registers.

Additional Rent shall be paid by Tenant quarterly, within 30 days of receipt of an invoice from Landlord.

5.4 Tenant's Right to Gross Revenue. Subject to the Tenant's obligation to pay Base Rent, Additional Rent and all other sums set forth in this Lease, Tenant shall be entitled to retain all revenues actually received (less refunds, credits and tradeouts) from operating Professional Baseball Events at the Stadium, including, but not limited to, box seat ticket sales, reserve seat ticket sales, general admission ticket sales, season ticket sales, luxury box ticket sales, advertising, concession sales including the sale of alcoholic beverages, sale of baseball paraphernalia, novelties, souvenirs, controlled parking, back-of-ticket advertising, program sales, naming rights, scoreboard advertising, and media revenues. Except as otherwise specifically provided in this Lease, all costs of Tenant generating gross revenues for Tenant shall be at Tenant's sole expense, and Landlord shall not be responsible for any such costs.

6. Utilities. Except as provided in this paragraph, Landlord shall pay or cause to be paid when due, and shall indemnify, protect and hold harmless Tenant and the Stadium from all charges for public or private utility services ("Utility Services") to the Stadium during the Term, including, without limitation, all charges for heat, light, electricity, water, gas, garbage collection, and sewer service. Tenant shall pay \$15,000 each calendar year plus any separately metered utility and telephone expenses for Tenant's corporate offices at the Stadium, as Tenant's contribution toward the cost of Utility Services provided to the Stadium. Tenant's contribution shall apply beginning in the calendar year in which Professional Baseball Events begin. If any Utility Service, used at the Stadium and for which Landlord is responsible, shall be interrupted, Landlord shall restore such Utility Service as soon as practical.

7. Repairs and Maintenance.

7.1 Landlord's Performance of Maintenance and Repairs. During the Term, Landlord shall keep the Stadium and every part thereof and item therein (including the parking areas and, subject to Section 5.3(b), the FF&E) in good order, condition and repair, and in compliance with local building codes and ordinances and good standards in conformity with other High-A baseball stadiums, at Landlord's sole expense. Without limiting the generality of the foregoing, maintenance and repair shall include the dugouts, all equipment or facilities serving the Stadium, such as plumbing, heating, air conditioning, ventilating, electrical, lighting facilities, fire sprinkler and/or standpipe and hose or other automatic fire extinguishing system, including fire alarm and/or smoke detection systems and equipment, fire hydrants, fixtures, wall (interior and exterior), scoreboard, stadium seating, safety netting designed to protect patrons, sound system, backstop, foundations, ceilings, roof, floors, windows, doors, plate glass, skylights, landscaping, driveways, parking lots, fences, retaining walls, non-advertising signs, sidewalks and parkways located in, on, about, or adjacent to the Stadium. Any additional expenditures for repairs or upgrades beyond those contemplated in this section or in Section 8.2, which are necessary to satisfy the standards of Rule 58, as it may change from time to time, shall be Tenant's responsibility.

7.2 Tenant's Responsibilities. During the Term, Tenant shall pay for clean-up after each Professional Baseball Event and Tenant's Other Events, in accordance with the usual and customary maintenance standards for baseball stadiums similar to the Stadium.

7.3 Groundskeepers. Landlord shall provide and pay for a full-time groundskeeper and 2 part-time groundskeepers for the Stadium. Tenant shall be responsible for compensating the groundskeeper(s) during Professional Baseball Events.

8. Landlord Work.

8.1 Initial Capital Improvements. Landlord shall undertake, or cause to be undertaken, at Landlord's sole expense, \$1,650,000 in capital improvements to the Stadium at the beginning of the Primary Term (before the Operational Date to the extent possible); provided that Tenant may defer any portion of this amount to a later date, at Tenant's election. Tenant shall select the capital improvement projects, in consultation with the Landlord, which may include the following, or additional projects: a new home clubhouse, indoor batting cages, indoor concession area/restaurant, and additional parking.

8.2 Initial Repairs and Upgrades. In addition to the \$1,650,000 in capital improvements, Landlord shall undertake, or cause to be undertaken, at Landlord's sole expense, other repairs and upgrades to the Stadium at the beginning of the Primary Term (before the Operational Date to the extent possible), which are expected to cost approximately \$250,000 and shall include the following: seal and stripe parking lot, seal and paint grandstand, install a new public address system, upgrade field lighting to Rule 58 standards, install mutually agreed wall pads over the entire outfield wall, upgrade field lighting, install ceiling fans in grandstand and replace any wood in need of repair. At Landlord's expense, Landlord shall maintain the items in this paragraph throughout the Term, in accordance with then-current Rule 58 standards and good industry standards.

8.3 Mid-Term Capital Improvements. Before the 2020 baseball season (or later, at Tenant's discretion), Landlord shall undertake, or cause to be undertaken, at Landlord's sole expense, \$125,000 in additional capital improvements to the Stadium. Tenant will select specific capital improvements to be made, in consultation with Landlord.

8.4 FF&E Replacement. In addition to other obligations, if any FF&E requires replacement during the Term, as reasonably determined by Landlord and Tenant, Landlord shall provide a replacement of comparable quality, at Landlord's sole expense.

8.5 Extension Term Capital Improvements. Each time Tenant exercises an Extension Option, Landlord will promptly undertake, or cause to be undertaken, \$250,000 in additional capital improvements to the Stadium, for a maximum of \$500,000 in additional capital improvements over the Term. Tenant will select the specific capital improvements to be made, in consultation with Landlord.

8.6 General Capital Improvement Terms. For all of Sections 8.1 – 8.5 above, Landlord shall send a list of proposed improvements, vendors and estimated costs to Tenant for Tenant's prior written approval which approval shall not be unreasonably withheld. Tenant will endeavor to provide Landlord reasonable notice of the anticipated Operational Date so that Landlord has adequate time to complete such capital improvements before the Operational Date.

9. Concessions. Tenant shall have the exclusive right to sell and retain revenue from Concessions in the Stadium during all Professional Baseball Events and Tenant's Other Events. Landlord reserves the right to sell and retain revenue from Concessions in the Stadium at Landlord's Other Events or as provided in Section 2.2. Tenant may exercise its exclusive right to sell Concessions directly or through a subcontractor. Tenant shall have the right to utilize the kitchen equipment, fixtures and supplies that are owned by Landlord and currently located at the Stadium. Landlord shall maintain and replace the current equipment, as needed, at Landlord's expense. If Tenant desires to supplement Landlord's concession equipment, Tenant may supply, at its own expense, all such supplemental equipment, fixtures and supplies, which shall remain the sole property of Tenant. Concessions may include alcoholic beverages (beer, wine, and liquor, at Tenant's election); provided, however, that the sale of alcoholic beverages shall comply with all applicable laws and regulations. Landlord will reasonably cooperate with Tenant in the acquiring of appropriate alcohol licenses, if requested by Tenant.

10. Crime. Consistently throughout the Term, Landlord and Tenant shall jointly undertake to ensure that the stadium and parking lots are safe and reasonably free from crime during Professional Baseball Events and Other Events. Such efforts are expected to include, at a minimum: reasonable patrol of the area by police and reasonable police staffing at and around the stadium. The parties agree that Tenant is only responsible for providing security for the Stadium and parking lots during Professional Baseball Events and Other Events hosted by Tenant and that at all other times, including but not limited to, all off-hours, Landlord is solely responsible for such areas. Landlord shall bear the cost of traffic control on streets around the Stadium.

11. **Tenant Alterations.** Except as otherwise specifically provided herein, Tenant shall not make any structural alterations to the Stadium without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld.

12. **Insurance.**

12.1 **Tenant Insurance.** Tenant, at its expense, shall maintain in effect at all times during the Term not less than the following coverage and limits of insurance, which shall be maintained with insurers listed "A-, VII" or better in the Best's Key Rating Guide and that are admitted insurers in the State of North Carolina:

Commercial General Liability	
Each Occurrence	\$1,000,000
Per Project General Aggregate	\$2,000,000
Workers Compensation	
As Required by the State of North Carolina	Statutory Limits

Tenant shall furnish Landlord with certificates of insurance effecting the coverage required by this Lease before Tenant takes possession of the Stadium. Tenant shall include Landlord as additional insured under the commercial liability policy. Tenant shall also insure its personal property located in or at the Stadium in an amount deemed appropriate by Tenant, in its reasonable discretion.

12.2 **Landlord Insurance.** Landlord agrees to maintain fire, extended coverage, vandalism and malicious mischief insurance on the Stadium and on its personal property located in or at the Stadium to the extent of its full replacement value. To the extent that such insurance has a deductible, then upon the occurrence of an insurable peril, Landlord shall be solely responsible for the deductible. Landlord shall also maintain commercial general liability insurance in an amount not less than \$2,000,000 for bodily injury and property damage per occurrence. Rangers Kinston LLC, Rangers Baseball Express LLC and each of their respective affiliates, owners, employees, officers and agents shall be named as an additional insured under Landlord's commercial general liability policy.

12.3 **Waiver of Subrogation.** Landlord and Tenant waive and release each other from all rights of recovery, claims, actions or causes of action for any loss or damage that may occur to the Stadium or such party's personal property within the Stadium that are covered by the releasing party's property insurance (or would have been covered had that party maintained the property insurance required by this Lease). The party incurring the loss or damage will be responsible for any deductible or self-insured retention under its property insurance. This waiver and release will apply even if the loss or damage is caused in whole or in part by the negligence or strict liability of the released party.

13. **Damage or Destruction.** If, during the term of this Lease, the Stadium is totally or partially damaged from any cause, rendering the Stadium totally or partially inaccessible or unusable and, if under the existing laws, the repair can be completed by the earlier of (i) within

180 days after the date of damage, or (ii) 30 days prior to the opening day of the upcoming baseball season, Landlord shall repair the Stadium to substantially the same condition as it was in immediately before the damage, and such damage shall not terminate this Lease. If the repair cannot be made in the time stated above, then within 15 business days after the parties determine that the repair cannot be made within such time, but in no event later than 60 days after the damage, Tenant may terminate this Lease immediately by giving notice to Landlord, with no penalty, rent or other amounts due to Landlord.

When such damage occurs during Tenant's baseball season, Tenant may conduct the remainder of its home games during that season at some other facility without impairment of any of its rights hereunder, and the Base Rent for that season shall be equitably adjusted. If necessary, Landlord shall use reasonable efforts to assist Tenant in securing an alternative facility while Landlord repairs the Stadium.

14. Sponsorship and Naming Rights. During the Term, Tenant may sell Stadium and game sponsorships (e.g., Stadium signs, game program ads, television ads, radio ads, game promotions) and retain all revenue therefrom in connection with Professional Baseball Events. At Tenant's discretion, Tenant may also sell naming rights to the Stadium or portions thereof, at Tenant's discretion; provided that the naming rights sponsorship must be at least: (i) \$93,750 in value per year or (ii) \$750,000 in value over the term. The new Stadium name shall be at Tenant's discretion but subject to approval by Landlord, which approval will not be unreasonably withheld. Tenant shall pay for any signage changes associated with a naming rights change, including to the interior and exterior of the Stadium, which may include the landmark sign outside of the stadium, provided that continued historical recognition of the facility as "Historic Grainger Stadium" may be reasonably provided for by Landlord.

15. Event of Default by Tenant; Landlord's Remedies.

15.1 Event of Default by Tenant. Each of the following constitutes an "Event of Default by Tenant":

(a) Tenant shall fail to timely make any payments to Landlord as required hereunder, including, without limitation, any rent payment when due to Landlord within ten (10) days after written notice from Landlord for nonpayment thereof.

(b) The happening of any act which results in the suspension or revocation of the rights, powers, licenses, permits and authorizations, including, without limitation, Tenant's franchise from Major League Baseball necessary for the conduct of Tenant operations authorized herein, which causes an interruption in the playing of games for a period of 30 days or more.

(c) The interest or estate of Tenant under this Lease shall, by operation of law, be assigned, transferred or passed to any other person, firm or corporation, except as specifically permitted herein.

(d) Tenant sells or assigns its interest in this lease or the franchise, except as provided in this lease.

(e) Tenant shall become insolvent or bankrupt, or shall take the benefit of any present or future insolvency statute, or shall make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws or under any other law or statute of the United States, or of any state law, or consent to the appointment of a receiver, trustee or liquidator, and such act prevents Tenant from conducting games at the Stadium for a period of 30 days or more.

15.2 Landlord's Remedies. Upon an Event of Default by Tenant, and subject to any notice and cure period provided herein, then, in addition to all other rights or remedies set forth in this Lease, Landlord shall have all rights available to Landlord as may be permitted from time to time by the laws of the State of North Carolina, without further notice or demand to Tenant, which includes the right to terminate the Lease and to declare any amounts then past due hereunder, including but not limited to, any Termination Payment under Section 18, immediately due and payable.

16. Event of Default by Landlord; Tenant's Remedies.

16.1 Event of Default by Landlord. Each of the following constitutes an "Event of Default by Landlord":

(a) Landlord shall fail to keep, perform and observe each and every promise, covenant, condition and agreement set forth in this Lease on its part to be kept, performed or observed within 30 days after written notice of default thereunder from Tenant, except where fulfillment of Landlord's obligation requires activity over a period of time and Landlord shall have commenced to perform whatever may be required to cure the particular default within 10 days after such notice and continues such performance diligently and without interruption except for causes beyond its control.

16.2 Tenant's Remedies. Upon an Event of Default by Landlord, and subject to any notice and cure period provided herein, then, in addition to all other rights or remedies set forth in this Lease, Tenant shall have all rights available to Tenant as may be permitted from time to time by the laws of the State of North Carolina, without further notice or demand to Landlord, which includes the right to terminate the Lease. In addition to any other remedies, if Landlord fails to fulfill any repair and maintenance obligations pursuant to this Lease and such failure continues after written notice from Tenant and thirty (30) days to cure, Tenant may undertake such obligation (or may hire a company to do so) and may reduce any Base Rent or other payments due to Landlord by the reasonable cost of such repairs up to a maximum of Five Thousand Dollars (\$5000.00).

17. Mediation. The Parties agree to participate in mediation in or around Kinston, North Carolina to attempt to solve any disputes prior to filing in court; provided that this does not pertain to emergency matters (e.g., temporary restraining orders, injunctions, etc.). Each party will bear its own costs and split the cost of the mediator.

18. Termination Option. Notwithstanding anything to the contrary herein, Tenant shall have the right and option to terminate this Lease at any time during the Primary Term by (a) delivering written notice of termination to Landlord designating the effective date of termination

(the "Termination Date"), and (b) paying to Landlord the Termination Payment (defined below) by cash or certified check on or before the Termination Date. The "Termination Payment" shall equal the positive difference between \$720,000 and total Base Rent paid by Tenant from the Operational Date through the Termination Date; provided, however, that the Termination Payment shall be zero if either (i) Tenant provides a replacement team that is reasonably acceptable to Landlord to play at the Stadium through the remainder of the Primary Term, or (ii) if actual game attendance falls below 100,000 per year for any two consecutive years (even though Tenant has operated the team and used the Stadium in a commercially reasonable manner during such two-year period). After the Termination Date, so long as Tenant has surrendered the Stadium in the condition required by this Lease, and paid Landlord the Termination Payment, Tenant shall have no further obligation or liability hereunder, except those obligations and liabilities accruing before the Termination Date. Without limiting the generality of the foregoing, if Tenant terminates this Lease in accordance with this section, Tenant shall not be liable to Landlord (in its governmental or non-governmental capacity) or to any other person or entity for any direct or indirect, economic or non-economic, hardship or loss that may result from the termination of this Lease or relocation of the team.

19. **Signage.** Landlord shall provide and maintain signage at the Stadium to reflect the new name of the team (to be selected by Tenant) and its association with the Texas Rangers Baseball Club, all at Landlord's expense. The signage must be reasonably acceptable to Tenant and must be consistent with industry standards for high-quality Class High A stadiums. Provided, however, that any signage attributable to the sale of naming rights as set forth in Section 14 shall be at Tenant's sole expense and shall comply with all laws and ordinances..

20. **Parking.** Tenant may use the current parking area (no fewer than 400 spaces) for event parking at no additional cost to Tenant. Continually throughout the Term, Landlord will use reasonable best efforts to acquire adjacent properties for additional parking, which will be made available to Tenant during the Term at no additional cost. Landlord will maintain the parking lots in good operating condition at Landlord's expense, throughout the Term.

21. **Miscellaneous Provisions.**

21.1 Compliance with Baseball Rules.

(a) Landlord hereby acknowledges and agrees that all rights and entitlements granted under this Lease to Tenant are expressly subject to, and must conform with, all Baseball Rules. The term "Baseball Rules" means and includes (1) the constitution, bylaws, and other rules and regulations of the League of which Tenant's team is a member, (2) the articles of incorporation, bylaws, and other rules and regulations of MiLB, of which Tenant's team is a member, and (3) the Professional Baseball Agreement (which incorporates by reference the Major League Rules), which is an agreement between the MiLB and MLB's National League and American League for and on behalf of their respective leagues and clubs. The term "Baseball Rules" includes, without limitation, any rule, regulation, restriction, guideline, resolution, or other requirement issued from time to time by any authority (e.g., the League President, the MiLB President, or the Commissioner of MLB ("BOC") under any Baseball Rule including, without limitation, the annual MiLB Gambling Guidelines (the "Gambling Guidelines"). Landlord acknowledges having received a copy of the 2014 Gambling Guidelines

and certain "gambling-related" provisions contained in the Baseball Rules. Landlord further acknowledges having received a copy of the Baseball Rules. Tenant shall hereinafter keep Landlord apprised of any material change made to any of the Baseball Rules that could reasonably affect the rights or benefits of Landlord under this Lease. The Carolina League, MiLB, and BOC are hereinafter referred to as the "Baseball Authorities."

(b) Landlord and Tenant mutually acknowledge that stadium leases and license agreements, including this Lease, constitute "Regulated Transactions" under Rule 54(a)(3)(C) of the Baseball Rules and, to be effective, must be disclosed to the Baseball Authorities and comply with the Baseball Rules. Notwithstanding anything to the contrary contained in this Lease, this Lease shall not be effective until disclosed in accordance with Rule 54(a)(3)(C) and found to be in compliance with the Baseball Rules in all respects.

21.2 Tenant's Use of Contractors. In discharging its duties and obligations under this Lease, and in utilizing the Stadium as contemplated herein, Tenant may engage and contract the services of one or more third party(ies) (e.g., Tenant may contract with a third party for the provision of concession service, security, etc.). Third party contractors must be reasonably acceptable to Landlord.

21.3 Surrender of Possession. At the expiration of the Term of this Lease, or at the earlier termination of this Lease, Tenant shall surrender the Stadium in good condition, reasonable wear and tear, damage by casualty or condemnation and Landlord repair items excepted.

21.4 Legal Actions. In addition to any other rights or remedies, and subject to Section 17, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purpose of this Lease. However, Landlord and Tenant release each other from all claims for incidental, consequential, indirect or punitive damages, howsoever caused or arising.

21.5 Attorneys' Fees, Expert Witness Fees and Court Costs. In the event that either Landlord or Tenant shall bring or commence an action to enforce the terms and conditions of this Lease or to obtain damages against the other party arising from any default under or violation of this Lease, then the prevailing party shall be entitled to and shall be paid reasonable attorneys' fees, expert witness fees and court costs therefor in addition to whatever other relief such prevailing party may be entitled.

21.6 Indemnification.

(a) Tenant will defend, indemnify, save and hold harmless Landlord and Landlord's agents, owners, officers, members, managers, employees, elected officials from any and all losses or damage and from any and all liability, suits, actions or claims brought or made by any person or persons to the extent arising or resulting from: (i) any and all activities and operations of Tenant or Tenant's employees or contractors in and about the Stadium or (ii) Tenant's use of the Stadium during Professional Baseball Events or Tenant's Other Events.

(b) Landlord will defend, indemnify, save and hold harmless Tenant and Tenant's agents, owners, officers, members, managers and employees from any and all

losses or damage and from any and all liability, suits, actions or claims brought or made by any person or persons to the extent arising or resulting from: (i) any and all activities and operations of Landlord or Landlord's employees or contractors in and about the Stadium, (ii) Landlord's use of the Stadium during Other Events hosted by Landlord, (iii) incidents in the Stadium and parking lots during times other than during Professional Baseball Events and Other Events (i.e., downtime), (iv) incidents relating to any repairs or capital improvements to the Stadium or (v) any environmental issues relating to the land or Stadium.

21.7 Relationship. The relationship between the parties hereto shall at all times be deemed to be that of landlord and tenant. The parties do not intend nor shall this Lease be deemed to create a partnership or joint venture

21.8 Assignment/Sale. Tenant shall not assign this Lease, nor any interest therein, nor shall Tenant sublease the Stadium or any part thereof without first obtaining the written consent of Landlord, with such approval not to be unreasonably withheld. Tenant may sell or assign its interest in the franchise or Tenant's entity, at Tenant's discretion.

21.9 Taxes. It is acknowledged that the Stadium is a publicly owned facility and is not subject to real property taxes.

21.10 Covenants and Conditions. Each provision of this Lease performable by Tenant shall be deemed both a covenant and a condition.

21.11 Notices. Any and all notices or demands shall be in writing. Such notices and demands shall be sent by United States Postal Service, certified mail, return receipt requested, sent by any nationally known overnight delivery service for next day delivery, or delivered in person. All notices shall be deemed to have been given upon receipt. Any notice to be given by a party may be given by the counsel for that party. For the purposes hereof, the addresses of the parties (until notice of a change in address is given in writing to the other party) shall be as follows:

If to Tenant:	Rangers Kinston LLC 1000 Ballpark Way, Suite 400 Arlington, Texas 76011 Attention: Neil Leibman, CEO cc: Kate Cassidy, General Counsel
If to Landlord:	City Manager, City of Kinston P.O. Drawer 339 Kinston, N.C. 28502-0339
With a copy to:	Jim Cauley, City Attorney Cauley Pridgen, P.A. 201 N. Queen Street, Suite 2A Kinston, N.C. 28501

21.12 Governing Law. The laws of the State of North Carolina shall govern the interpretation and enforcement of this Lease.

21.13 Time is of the Essence. Time is of the essence in the performance of the terms and conditions of this Lease.

21.14 Non-Liability of Landlord's Officials and Employees. No member, official, officer, employee, agent, or representative of Landlord shall be personally liable to Tenant, or any successor in interest, in the event of any default or breach by Landlord or for any amount which may become due to Tenant or successor or on any obligations under the terms of this Lease.

21.15 Waivers and Amendments. All waivers of the provisions of this Lease must be in writing and signed by the parties. The waiver by Landlord or Tenant of any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition. All amendments hereto must be in writing and signed by the appropriate authorities of Landlord and Tenant.

21.16 Severability. If any provision of this Lease or the application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this Lease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the greatest extent permitted by law.

21.17 Binding Effect. This Lease, and the terms, provisions, promises, covenants and conditions hereof, shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

21.18 Merger Clause. Upon full execution, this Lease is the sole expression of the parties' intentions relating to this transaction. All prior understandings, whether written or verbal, including but not limited to the Memorandum of Understanding dated March 16, 2015 (the "MOU") are merged into the Lease and are no longer valid after full execution of the Lease.

21.19 Contingencies. Notwithstanding anything to the contrary in the Lease or the MOU, the Lease and all obligations herein are wholly contingent upon Tenant obtaining a Class High A franchise and being able to relocate that franchise to Kinston, North Carolina, which includes the required approvals from MiLB, MLB and the Carolina League, which approvals Tenant agrees to timely and in good faith pursue. If for any reason any of these contingencies do not occur for any reason (including but not limited to additional, non-customary fees are required of Tenant for the relocation or otherwise), then this Lease is null and void and neither party shall have any liability relating to this Lease, the MOU or otherwise.

21.20 Quiet Enjoyment. Landlord does hereby covenant, promise and agree to and with Tenant, subject to the terms and conditions of this Lease, that Tenant, for so long as Tenant is not in default hereof, shall and may at all times peaceably and quietly have, hold, use, occupy and possess the Stadium throughout the Term.

21.21 Approvals and Actions. Whenever a reference is made herein to an action or approval to be undertaken by Landlord, Landlord's City Manager or his or her designee is authorized to act on behalf of Landlord unless specifically provided otherwise or the law otherwise requires. Whenever in this Lease the consent, approval or concurrence of Landlord is required for action or forbearance by Tenant, such consent, approval or concurrence shall not be unreasonably withheld, delayed or conditioned. Whenever any action or approval is to be taken by Tenant, the Tenant's General Manager or his or her designee is authorized to act on behalf of Tenant unless specifically provided otherwise or the law otherwise requires.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the date set forth above.

[Signatures on following pages]

LANDLORD:

CITY OF KINSTON

By:


BJ Murphy, Mayor

ATTEST:


Monique Hicks, City Clerk



TENANT:

RANGERS KINSTON, LLC
a Delaware limited liability company

By: 
Name: Neil Leibman
Title: Chief Executive Officer, Manager/Member

EXHIBIT A

LEGAL DESCRIPTION

TRACT ONE:

BEING all that certain tract or parcel of land containing 8.07 acres, more or less, depicted and delineated on that certain map entitled "MAP FOR RECORD GRAINGER STADIUM PROPERTY OF THE CITY OF KINSTON", prepared by Michael D. Blackburn, Registered Land Surveyor, No. L3355, dated March 4, 1994, and recorded in Plat Cabinet 4, Page 375, Lenoir County Registry. Reference is hereby made to said map of record for a more accurate description.

TRACT TWO:

BEING all of "PARCEL A" containing 3.285 acres, more or less, and all of "PARCEL B" containing 0.599 acres, more or less, depicted and delineated on that certain map entitled "MAP FOR RECORD STREET CLOSING OF A PORTION OF GRAINGER AVENUE AND RECOMBINATION OF LOTS FOR THE CITY OF KINSTON", prepared by Joey W. Taylor, Registered Land Surveyor, No. L-2822, dated May 20, 1997, and recorded in Plat Cabinet 5, Page 363, Lenoir County Registry. Reference is hereby made to said map of record for a more accurate description. **SUBJECT** to a fifty (50) foot wide general utility easement across Parcel B as shown on said map of record.