STADIUM LEASE ABSTRACT

NOTE: This document merely paraphrases some of the key terms of the Stadium Lease. The Stadium Lease shall substantially conform to the following terms, but the form and substance of the full provisions of the Stadium Lease remain subject to the final approval of the parties.

Parties

The Economic Development Authority of the City of Richmond, Virginia (Landlord); Navigators Baseball LP, d/b/a The Richmond Flying Squirrels (Tenant).

Term

30 years, plus two 5-year renewal options each on 12 months' notice.

Commencement Date

Substantial Completion of the Premises pursuant to the Development Agreement, as defined in the Lease.

Permitted Use

Operation of a baseball franchise and the hosting of baseball games, and related and ancillary uses, all subject to the terms of the Lease. Merchandising and concessions, ticketing, food and beverage (including alcohol) sales, advertising, event scheduling, radio/tv/media rights, security/traffic control, and other operational matters shall be further subject to the terms of the Lease.

Parking

Landlord shall provide parking in accordance with the terms of the Development Agreement.

Landlord's Use

Landlord shall be entitled to use of the Premises for a minimum number of "Landlord Events," on terms to be set forth in the Lease.

Rent

Annual base rent shall be $1,700,000 per year during the initial term. During renewal periods, if not otherwise agreed upon by the parties the base rent shall be fair market rent as determined by an objective appraisal process.

Net Lease

The Lease shall be a triple-net Lease. Except as otherwise expressly set forth in the Lease, Tenant shall bear all costs associated with the Premises, including taxes, utilities, insurance and maintenance.

Franchise

Tenant shall be obligated to maintain its franchise, and to maintain the franchise at the Premises, for the duration of the Lease, on terms more particularly set forth in the Lease.

Maintenance and Repairs

Landlord shall be responsible only for certain capital repairs and replacements as are expressly designated in the Lease. All other maintenance, repairs and replacements shall be the responsibility of Tenant.
Assignments/Subleases

No assignments or subleases shall be permitted without Landlord’s approval, except that the following shall be permitted on terms and conditions to be more particularly set forth in the Lease: (i) assignment to a third party owner/franchisee approved by Minor League Baseball, (ii) sublease or license to Virginia Commonwealth University or other subtenant approved by Landlord, for baseball games and related uses, (iii) assignments of naming rights to the Premises (see below), and (iv) a transfer of a controlling interest in Tenant or a sale of all of Tenant’s assets.

Naming Rights

Tenant shall have the right to sell/assign naming rights to the Premises, on terms to be set forth in the Lease. Tenant shall be entitled to all profits/proceeds from such sale in the first 10 years of the term. Thereafter, the profits/proceeds shall be allocated between Landlord and Tenant on terms to be set forth in the Lease.

Defaults and Remedies

Customary defaults and remedies shall be described in the Lease.

Allowances

Landlord shall provide an allowance for Tenant’s fixtures, furnishings and equipment up to $5,250,000, and Tenant shall be responsible for all costs thereof in excess of the allowance. Tenant shall also be permitted to apply the Excess Funds Allowance (defined below) to the costs of the Tenant’s property in excess of this Tenant’s Property Allowance.

Reference is made to the construction budget of $39,950,000 in hard costs set forth in the Development Agreement, and the construction contingency of $3,600,000. If there are funds remaining from the construction budget or the contingency following completion of the Premises (the “Excess Funds”), Tenant shall be entitled to use up to 50% of such Excess Funds (the “Excess Funds Allowance”) to pay for the completion of any improvements required to be made by Tenant pursuant to a permitted sublease or for the acquisition or installation of any of Tenant’s Property. All unused/remaining Excess Funds shall be used by Landlord for the establishment of a “Capital Maintenance Fund” for repairs and replacements required to be made by Landlord.