

completed substantially in accordance with the construction drawings and that, to the best of each professional's knowledge, the completed improvements are in compliance with all applicable ordinances, statutes, and the requirements of all Governmental Authority. Additionally, the City may, at its sole discretion, cost and expense, have the Leased Premises inspected by an inspector qualified to determine compliance with Major League Baseball facilities' standards and regulations, in order to determine whether or not Lessee is maintaining the Leased Premises commensurate with Major League Baseball facilities' standards and regulations and/or whether or not Lessee is maintaining the Leased Premises at a level commensurate with the Comparable Facilities, as required in Section 6.1.5 herein.

ARTICLE VI THE OPERATOR'S RIGHTS AND OBLIGATIONS

Section 6.1. Management. Lessee shall be the exclusive manager and operator of the Baseball Stadium and shall have the exclusive right to contract for its license or use during the Term in a manner that will promote and further the purposes for which the Baseball Stadium has been constructed. Lessee shall do all things and take all commercially reasonable actions necessary for the operation and maintenance of the Baseball Stadium as a baseball stadium and entertainment facility in accordance with this Lease and in a manner generally consistent with the operation and maintenance of the Comparable Facilities as of the Effective Date, subject to normal wear and tear. Without limiting the generality of the foregoing, Lessee is authorized to and shall:

- 6.1.1** charge and collect all operating revenue, parking use charges, concession revenue, and seat and suite use charges for the Baseball Stadium and leased Premises and, in connection therewith, use all commercially reasonable efforts to obtain all fees, rents and other amounts due from licensees, concessionaires and other users of the Baseball Stadium and Leased Premises; and shall cause notices to be served upon such licensees and other users to quit and surrender space occupied or used by them where desirable or necessary in the opinion of Lessee and shall ask for, demand, collect and give receipts for all amounts which at any time may be due from any licensees and other users of the Baseball Stadium and Leased Premises;
- 6.1.2** commence, defend and settle in good faith such legal actions and proceedings concerning the operation of the Baseball Stadium (except for City events) as are necessary or required in the opinion of Lessee and shall retain counsel in connection therewith;
- 6.1.3** employ, pay and supervise all personnel that Lessee determines to be necessary for the operation of the Baseball Stadium (such personnel, during the course of such employment, shall be employees of Lessee and shall not be employees of the City); determine all matters with regard to such personnel, including without limitation, compensation, bonuses, fringe benefits, hiring and replacement and shall prepare, on its own behalf and file when due, all forms, reports and returns required by law relating to the employment of such personnel;
- 6.1.4** purchase and maintain all materials, tools, machinery, equipment and supplies deemed necessary by Lessee for the operation of the Baseball Stadium;
- 6.1.5** maintain the Baseball Stadium in accordance with Comparable Facilities subject to normal wear and tear, and maintain and operate the Baseball Stadium in compliance with all requirements necessary for the conduct of all home games;

- 6.1.6 prepare, coordinate, implement, revise as necessary and administer a preventative maintenance plan and program for the Baseball Stadium, its machinery and equipment, and provide a maintenance log for each prior Lease Year;
- 6.1.7 from and after the Commencement Date, arrange for and provide all utility and other services for the Baseball Stadium and pay or cause to be paid when due all charges for water, sewer, gas, light, heat, telephone, electricity, and other utilities and services rendered to or used on or about the Baseball Stadium (the City and/or the Project Contractor shall be responsible for arranging and paying for all utility services necessary for the construction and Final Completion of the Project Improvements Work and for providing permanent utility services infrastructure and hook-ups for Lessee's use); provided, however, that the City and Lessee shall cooperate in an effort to obtain the most favorable rates for electricity and other utility services and, in that regard, if the City is able to procure such utility services at more favorable rates than Lessee, then the City and Lessee shall in good faith negotiate and amendment to this Lease whereby the City will agree to provide such utility services and Lessee will agree to reimburse the City for all such charges on a pass through basis (and without mark-up by the City);
- 6.1.8 maintain or cause to be maintained all necessary licenses, permits and authorizations for the operation of the Baseball Stadium;
- 6.1.9 furnish to the City such reports and other information concerning the condition of the Baseball Stadium and operation thereof (excluding any financial operating results or other information deemed commercially sensitive by Lessee) as may be reasonably requested from time to time by the City, it being understood, however, that Lessee shall not be required to generate any special reports but rather just make available to City any reports already prepared by Lessee in the normal conduct of its business;
- 6.1.10 procure and negotiate contracts with concessionaire(s) for the operation of consumable and/or non-consumable concessions at the Baseball Stadium (unless Lessee shall self-operate such concessions); and
- 6.1.11 control the issuance of and issue all credentials for events at the Baseball Stadium.

Section 6.2. Promotions and Marketing. Lessee's obligation to operate the Baseball Stadium generally consistent with Comparable Facilities shall not apply to promotional, event, or marketing activities, and Lessee shall have the discretion to adopt and implement such promotional and marketing practices as Lessee deems appropriate for the operation of its business at the Leased Premises.

ARTICLE VII ADDITIONAL COVENANTS OF LESSOR AND LESSEE

Section 7.1. Maintenance, Operation and Capital Repair Work Expenses of the Leased Premises. Subject to Section 7.4 herein, Lessee shall, at its sole cost and expense, perform all Capital Repair Work (as defined herein), maintenance and routine repairs required to keep, maintain, and operate the Leased Premises, including the interior and exterior, structural and nonstructural portions of the improvements, in as good repair as exists on the Commencement Date and in compliance with all applicable laws, regulations, orders and other governmental requirements of Governmental Authority applicable to the Leased Premises from time to time, and generally consistent with the operation and maintenance practices of the Comparable Facilities, subject to ordinary wear and tear, uninsured catastrophes, Force

Majeure events, acts of God and events of condemnation. "Capital Repair Work" includes all work performed and expenses incurred for routine maintenance of the facilities, for capital improvements, and to repair, restore, replace, enhance, or refurbish any equipment, facility, structure or other component of the Leased Premises. The City has no maintenance and repair obligations under this Lease and, subject to the City's obligations as set forth in Section 7.4 below, the City has no obligation to pay any maintenance, repair, Capital Repair, capital or operating expenses of the Leased Premises.

Section 7.2. Lessee's obligation to pay for maintenance, Capital Repair Work, enhancements and upgrades of the Leased Premises. Lessee shall spend no less than Three Hundred Fifty Thousand Dollars (\$350,000) annually on maintenance, Capital Repair Work, enhancements and upgrades to the Leased Premises, as required in Section 7.1 herein, beginning in the year 2013 and through the end of this amended Lease's Term. Notwithstanding the preceding statement, Lessee shall spend an amount greater than \$350,000 annually if necessary in order to maintain the Leased Premises commensurate with Major League Baseball facilities' standards and regulations and/or at a level commensurate with the Comparable Facilities, whichever level is determined to be a higher standard by a qualified inspector, as referenced in Section 5.5 herein.

Section 7.3. Lessee's obligation to provide reports relating to maintenance, Capital Repair Work, enhancements and upgrades. In addition to Lessee's requirements under Section 5.5 herein, Lessee agrees annually, on or before October 1, to provide the City (i) a written accounting of all maintenance, Capital Repair Work, enhancements and upgrades to the Leased Premises paid for and completed by Lessee in the previous Lease Year pursuant to Section 7.2 herein, for which Lessee requests reimbursement from City pursuant to Section 7.4 herein, as well as (ii) a proposed schedule for and estimated budget for proposed maintenance, Capital Repair Work, enhancements and upgrades for the upcoming year. Such written accounting of all maintenance, Capital Repair Work, enhancements and upgrades paid for and completed by Lessee in the previous Lease Year shall be subject to the written approval of the City, such approval not to be unreasonably withheld, conditioned or delayed. Lessee's proposed schedule for and estimated budget of proposed maintenance, Capital Repair Work, enhancements and upgrades for the upcoming year also shall be subject to the written approval of the City, such approval not to be unreasonably withheld, conditioned or delayed.

Section 7.4. City's obligation to reimburse Lessee. Upon City's written approval of Lessee's written accounting of all maintenance, Capital Repair Work, enhancements and upgrades paid for and completed by Lessee in the previous Lease Year pursuant to Section 7.2 herein, subject to appropriation by the Corpus Christi City Council, and subject to Lessee's compliance with all applicable statutory requirements, City shall reimburse Lessee for such approved expenditures in an amount not to exceed One Hundred Seventy Five Thousand Dollars (\$175,000) annually. Such approved reimbursement by City shall be paid to Lessee no later than thirty (30) days following the last game or event held at the Leased Premises of the year following completion of such approved enhancements and upgrades.

Section 7.5. Taxes and Other Charges. Lessee shall pay prior to delinquency, in addition to the payment of Rentals, each and every lawful cost, expense and obligation of every kind and nature, foreseen or unforeseen, by reason of Lessee's estate or interest in the Leased Premises or any portion thereof or by reason of or in any manner connected with or arising out of Lessee's possession, operation, maintenance, alteration, repair, rebuilding, use or occupancy of the Leased Premises, or any part thereof. Lessee shall pay and discharge, prior to the delinquency thereof, all lawful assessments, ad valorem taxes, sales taxes, business and occupation taxes, occupation license taxes, water charges, sewage disposal charges, or other utility charges imposed on the Leased Premises and Lessee's use and occupancy of the Leased Premises, and all other governmental taxes, impositions, and charges of every kind and nature, ordinary or extraordinary, general or special, foreseen or unforeseen, whether similar or dissimilar to any