

C&B DRAFT
December 9, 2005

NON-RELOCATION AGREEMENT

DISTRICT OF COLUMBIA SPORTS AND ENTERTAINMENT COMMISSION

and

BASEBALL EXPOS, L.P.

Dated as of _____, 2005

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EXHIBITS

Exhibit A Provisions arising under Section 2.4(d)

NON-RELOCATION AGREEMENT

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

RECITALS:

WHEREAS, Section 108(b) of the Act requires the RFK License and the Lease to include provisions requiring the Team to maintain its Franchise in the District of Columbia for the respective terms of such agreements and such other provisions and remedies necessary to ensure enforcement of such obligation, including provisions requiring the Team to directly pay, or to finance the reimbursement of the District Government or any other party, for any and all reasonable and verified predevelopment and development costs related to the Baseball Stadium borne by the District Government or any other District Government agency or instrumentality, and for any lost revenue that the District or any other party would have received if the Team had completed the term of the respective agreement; and

WHEREAS, the Team is obligated to maintain its Franchise at the Baseball Stadium in the District of Columbia under each and all of Sections 3.01 and 6.13 of the Baseball Stadium Agreement until the termination of the Baseball Stadium Agreement and Section 3.2 of the RFK License until the termination of the RFK License; and

WHEREAS, Section 6.13 of the Baseball Stadium Agreement requires that the Lease impose an obligation on the Team to maintain its Franchise at the Baseball Stadium in the District of Columbia for the Term of the Lease; and

WHEREAS, the Team and the Commission, as of the date hereof, have entered into the Lease as required under Section 6.01 of the Baseball Stadium Agreement; and

WHEREAS, the Team and the Commission desire to enter into this Agreement to effectuate the requirements of Section 108(b) of the Act and Section 6.13 of the Baseball Stadium Agreement; and

WHEREAS, the Commission was authorized to enter this Agreement by resolution of its governing body adopted on _____, 2005; and

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

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

ARTICLE 1

DEFINITIONS

Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Lease. The following terms as used herein shall have the following meanings:

“**Agreement**” means this Non-Relocation Agreement, as amended from time to time.

“**Arbitration**” means the dispute resolution process described in Section 4.3.

“**Business Days**” means Monday through Friday, inclusive, other than (i) holidays recognized by the District Government or the federal government and (ii) days on which the District Government or federal government closes for business as a result of severe inclement weather or a declared national emergency which is given legal effect in the District of Columbia. If any item must be accomplished or delivered under this Agreement on a day that is not a Business Day, then it shall be deemed to have been timely accomplished or delivered if accomplished or delivered on the next following Business Day. Any time period that ends on other than a Business Day shall be deemed to have been extended to the next Business Day.

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

“**Control Interest**” has the meaning given to the term in Baseball Rules and Regulations.

“**Initial Stadium Revenue Bonds**” means the Series A Stadium Revenue Bonds and the Stadium Revenue Bonds to be designated “Series 200_B-1 and Series 200_B-2”.

“**Lease**” means the Lease Agreement, dated as of _____, 2005, by and between the Commission and the Team, as amended from time to time.

“**Litigable Matters**” means (i) any and all claims, demands or other actions by a Party seeking declaratory, injunctive, specific performance or other equitable relief in respect of the performance, breach, or interpretation of any provision of this Agreement, and (ii) any claims, demands, or other actions by the Team or the Commission, as applicable, whether legal or equitable, seeking enforcement of the Team’s obligations under Article 2 hereof, *provided, however, that* the magnitude of money damages, if any, arising from any breach of the Team’s obligations under Article 2 shall be determined by Arbitration.

“**Parties**” or “**Party**” means the Commission and the Team, as the context in this Agreement may require.

“Project Account” has the meaning set forth in the Construction Administration Agreement.

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

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

“UCC” means the Uniform Commercial Code as in effect from time to time in any applicable jurisdiction.

ARTICLE 2

NON-RELOCATION

2.1 Obligation to Maintain Franchise in the District

Except as specifically provided in this Section 2.1: (i) the Team shall maintain its principal place of business in the District of Columbia as a registered business in good standing under all Applicable Laws; (ii) the Team shall maintain the Franchise as a validly existing and participating Major League Baseball Franchise under Baseball Rules and Regulations; (iii) the Team shall play all of the Franchise’s Regular Season and Post Season Baseball Home Games at the Baseball Stadium; and (iv) the Team shall not relocate, attempt to relocate, or permit the relocation of, the Franchise outside of the District of Columbia. The Team may schedule and play up to three Exhibition Games at the Baseball Stadium in each calendar year during the period commencing three (3) days prior to the Team’s first game of the Regular Season and ending with its last game of the Regular Season. The Team shall be permitted to play what would otherwise be a Baseball Home Game at a location other than the Baseball Stadium:

(a) as provided in Section 12.1 of the Lease in connection with damage or destruction to the Baseball Stadium Complex by certain casualty events;

(b) if necessary and required in accordance with Baseball Rules and Regulations for reasons of public safety or because of rescheduling due to inclement weather or a Force Majeure; provided, that if played at a location other than the Baseball Stadium due to inclement weather, the Team shall share fairly with the Commission, in a proportionate manner based on their respective losses (which with respect to the Commission shall include lost sales or use taxes that would have been collected by the District Government in respect of the Baseball Home Game), any compensatory payment made to the Team in respect of the lost game(s) by Major League Baseball or any other Person;

(c) once every five years, up to three Regular Season Home Games in an international or other venue as requested by Major League Baseball; and

(d) in the case of Exhibition Games, at any location it chooses.

2.2 Transfers of Franchise

For purposes of this Section 2.2: (i) any sale, transfer, assignment or other disposition of the Team, or of the Team's right, title, or interest in and to the Franchise, or of a Control Interest in the Team, or this Agreement is referred to as a "transfer"; (ii) any pledge, lien, security interest, hypothecation, or similar conditional assignment given to secure indebtedness for borrowed money or a guarantee of indebtedness for borrowed money is referred to as a "Covered Pledge"; and (iii) in the absence of a specific intent to use a Covered Pledge to effect a relocation of the Franchise, the making of a Covered Pledge is not deemed to be a transfer. Subject to the restrictions contained in Section 2.1, the Team shall not transfer the Franchise or a Control Interest therein, unless: (a) there is no Team Default at the time such assignment is to become effective; (b) the transferee assumes unconditionally in writing all then-unperformed obligations of the Team under this Agreement and the Lease whether accrued or due before or after the effective date of such transfer and agrees to be bound hereby and thereby; and (c) such transfer is accomplished in accordance with applicable Baseball Rules and Regulations and is otherwise in compliance with all the provisions of this Agreement.

The Team shall not grant any Covered Pledge in respect of the Franchise unless the documents and other instruments implementing the Covered Pledge expressly provide, and the pledgee agrees in writing for the intended third-party benefit of the Commission and the District Government, that:

(a) the granting of such Covered Pledge is subject to and not intended to impair the enforcement of this Section 2.2 for so long as the terms thereof remain valid and binding against the Team; and

(b) any transfer of the Franchise upon foreclosure or other enforcement of the Covered Pledge shall be on the condition that the transferee assume in writing all obligations of the Team under this Agreement.

The Team shall not permit the granting of any Covered Pledge of any Control Interest in the Team unless the documents and other instruments implementing the Covered Pledge expressly provide, and the pledge expressly acknowledges in writing for the benefit of the Commission and the District Government, that the pledgee is aware that the Team remains subject to the terms of Section 2.1 and this Section 2.2 for so long as the terms hereof and thereof remain valid and binding against the Team. The Team shall provide to the Commission a copy of any documents and other instruments implementing such Covered Pledge certified as true and complete by an officer of the Team. In the event of a transfer of the Team or a Control Interest therein (regardless of whether voluntary or involuntary and regardless of whether pursuant to a foreclosure on a

Covered Pledge on the Team or a Control Interest therein or otherwise), the Team shall contemporaneously reaffirm in writing its obligations under this Agreement.

2.3 Notice of Certain Changes

The Team shall give the Commission at least thirty (30) days' prior written notice of (i) the submission of any application to Major League Baseball for approval to transfer the Team, the Franchise or a Control Interest in either, and (ii) the initiation or participation in any discussion intended to or that would reasonably be expected to result in the relocation of the Franchise. The Commission waives the right to notice in respect to clause (i) as applied to the proposed sale of the Franchise by Major League Baseball pending as of the date of this Agreement.

2.4 Subordinate Lien on Franchise

To secure the Team Non-Relocation Obligations, the Team hereby grants to the Commission a subordinated security interest in the Franchise (the "Subordinate Lien") on the terms set forth in this Section 2.4. The granting and terms of the Subordinate Lien shall be subject to each and all of the following conditions:

(a) The Subordinate Lien shall become effective contemporaneously with the deposit by the District Government into the Project Account of the net proceeds from the issuance of the Initial Stadium Revenue Bonds.

(b) The Subordinate Lien may be foreclosed upon by the Commission only in the event of a breach by the Team of the Team Non-Relocation Obligations. The Subordinate Lien secures only the performance of the Team Non-Relocation Obligations.

(c) The Subordinate Lien shall be fully subordinate as to payment and lien priority to any then-current or future Covered Pledge given by the Team to secure payment and performance of its obligations, without limit as to amount, including guarantee obligations, in respect of any then existing or future indebtedness (including capitalized leases and other obligations classified as liabilities in accordance with generally accepted accounting principles) of the Team or any person or entity that is affiliated with the Team or has invested in the Team or in which the Team is an investor, provided that the principal purpose of the indebtedness in respect of which such Covered Pledge is granted relates to the acquisition, promotion, financing or operation of the Team or any business venture related to the business of the Team or the development of the Baseball Stadium Complex and surrounding area ("Senior Secured Indebtedness"). No proceeds of the Subordinate Lien may be paid to the Commission unless and until all Senior Secured Indebtedness is paid in full. No consent of the Commission is required for the incurrence of Senior Secured Indebtedness.

(d) The Commission hereby disclaims any right that might otherwise implicitly or explicitly arise under or in respect of the Subordinate Lien to review, approve or consent to (i) the loan, security and other documentation for Senior Secured Indebtedness or any guarantee thereof and (ii) any transfer or the making of a Covered

Pledge of the Franchise, the Team or a Control Interest in either (or any financing relating thereto) that does not involve a violation of the Team Non-Relocation Obligations.

(e) If then customarily required by Major League Baseball in connection with the grant of liens in Major League Baseball franchises generally, in connection with the grant of the lien as provided in clause (a) above, the Commission and Major League Baseball will enter into a standard form Major League Baseball lien consent agreement on customary terms generally applied by Major League Baseball to third party holders of liens on Major League Baseball franchises and in which, among other things (A) Major League Baseball will confirm its approval of this Agreement and consent to the terms of the Subordinate Lien, and (B) the Commission will agree with, for the benefit of Major League Baseball, to the provisions set forth in Exhibit A.

(f) The Subordinate Lien shall automatically terminate and be void in the event of a termination of the Lease pursuant to Section 3.4 thereof, other than with respect to a termination of the Lease following:

(i) the Team filing a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or voluntarily taking advantage of any such act by answer or otherwise, or making an assignment for the benefit of creditors;

(ii) the Team being adjudicated bankrupt or insolvent by any court;

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

(iv) the Team making an assignment for the benefit of creditors or the Team petitioning for composition of debts under any law authorizing the composition of debts or reorganization of the Team.

(g) The Commission and the Team shall cooperate reasonably and in good faith in the negotiation and execution of any financing, subordination or other documents and instruments as may be necessary more fully to effectuate the intentions of this Section 2.2. Without limiting the generality of the foregoing (i) the Commission agrees, promptly upon written request by the Team, to enter into subordination or other agreements with the holders of Senior Secured Indebtedness, in form and substance reasonably satisfactory to the Team and such holders, to acknowledge and effectuate the subordination and other limitations on the Subordinate Lien agreed by the Commission herein, provided that they do not increase the obligations of the Commission under the Lease or materially adversely affect the leasehold interest thereby created or detract from the Commission's rights under the Lease; and (ii) the Team agrees, promptly upon written request by the Commission, to deliver to the Commission, at the Team's sole

expense, such financing statements and other documents as the Commission may reasonably request, in form and substance reasonably satisfactory to the Commission, to further evidence and perfect the Subordinate Lien.

ARTICLE 3

TERMINATION

This Agreement shall terminate upon the occurrence of any of the following events: (i) written agreement of the Parties to terminate this Agreement; (ii) termination by the Commission under Section 4.2; (iii) expiration of the Lease at the end of its scheduled Term (including any Extension Term); or (iv) termination of the Lease in accordance with Section 3.4 thereof, other than with respect to a termination of the Lease following:

(A) the Team filing a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or voluntarily taking advantage of any such act by answer or otherwise, or making an assignment for the benefit of creditors;

(B) the Team being adjudicated bankrupt or insolvent by any court;

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

(D) the Team making an assignment for the benefit of creditors or the Team petitioning for composition of debts under any law authorizing the composition of debts or reorganization of the Team;

ARTICLE 4

REMEDIES

4.1 Commission Remedies

In the event of a breach by the Team of the Team Non-Relocation Obligations, the Commission shall be entitled to (i) recover with respect to such breach all damages provided by law or in equity; (ii) exercise the rights granted to a secured party upon default under the UCC and other Applicable Laws; and (iii) subject to Section 4.3, exercise any other right or remedy at law or in equity, including obtaining an injunction or order of specific performance.

4.2 Commission Special Remedies

The Team acknowledges and agrees that the rights and duties established under Article 2 are of a unique and special nature and that any violation thereof by the Team will result in immediate and irreparable harm to the Commission and the District Government. Among other considerations, the Commission and the District Government are detrimentally relying on the Team's compliance with Article 2 in connection with taking certain financial and non-financial governmental actions required to enable the planning, development and financing of the Baseball Stadium Complex. Accordingly, in the event of any actual or threatened breach or violation of any of the provisions of Article 2, the Commission shall be entitled as a matter of right to an injunction or decree of specific performance, without bond, from any equity court of competent jurisdiction compelling the Team to comply fully with the terms of Article 2. The Team waives the right to assert the defense that such breach or violation can be compensated adequately in damages in an action at law. Nothing in this Agreement shall be construed as prohibiting the Commission from pursuing any other remedies at law or in equity available to it for such breach or violation or threatened breach or violation. In addition, in the event of any breach or violation of any of the provisions of Article 2, the Subordinate Lien described in Section 2.2 shall secure, and the Commission shall be entitled as a matter of right to terminate this Agreement and recover from the Team, as damages and not as a penalty, any and all damages incurred or suffered by the Commission, including, without limitation, all costs and expenses incurred by the District Government, the Commission or any other affected party claiming through the District Government or the Commission, including (A) all costs and expenses incurred by the District Government and the Commission to construct the Baseball Stadium, including, without limitation, the amount required to repay principal of and interest on (and premium, if any, on) the Stadium Revenue Bonds, (B) any lost net revenue arising out of or created by the operation and use of the Baseball Stadium that the Commission would have received if the Team had complied with the Team Non-Relocation Obligations, and (C) all costs and expenses incurred by the Commission, including attorneys' fees and disbursements (other than as provided in Section 6.17), in seeking to enforce its remedies hereunder.

4.3 Arbitration

Except for Litigable Matters, all disputes and claims for damages between the Team and the Commission arising out of this Agreement shall be resolved not by litigation but rather by binding arbitration ("Arbitration") in the District of Columbia before a panel of three (3) independent arbitrators under the auspices and pursuant to the rules of the American Arbitration Association. Any such dispute shall be governed by the Commercial Arbitration Rules then in effect. The Arbitration hearing will be scheduled so that it is concluded within six months from the date of the filing of the Arbitration and the panel shall render its decision within one month after the closing of the hearing. Arbitrators will be chosen under the usual procedures and from the usual panels of the American Arbitration Association except that none of the arbitrators shall have performed, directly or indirectly, a material amount of work for the Team, the Commission or the District Government within the five year period immediately preceding the date of their selection or intend or desire to perform work for the Team, the Commission or the District Government within one year following the date of their selection. Issues determined by Arbitration pursuant to this provision shall be given

preclusive or collateral estoppel effect. Each Party shall bear its own costs relating to the Arbitration except that the Arbitration panel shall have the authority to award attorney's fees. The costs and fees of the panel and the fees to the American Arbitration Association shall be borne equally by the Team and the Commission.

4.4 Concerning Remedies

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

ARTICLE 5

INDEMNIFICATION

5.1 Indemnification by the Team

The Team shall indemnify, defend (with counsel reasonably acceptable to the Commission) and hold harmless the Commission and each and all of its directors, officers, employees, agents, licensees, independent contractors and consultants or any of them as their interests may appear, of, from and against all claims, fines, claim costs, charges and expenses, liabilities, suits, obligations, demands, actions, settlements, and judgments recovered from or asserted against any of them, including attorneys' fees incurred to defend such claims and/or to enforce this indemnity (collectively, "Losses"), to the extent such Losses may be incident to, arise out of, or be caused by any breach of this Agreement by the Team.

5.2 Indemnification Procedures

(a) As used in this Section 5.2, "Claim" shall mean, collectively, any claim, demand, suit, proceeding (judicial or otherwise), settlement, or judgment, for or in connection with which the Commission is entitled to indemnification as provided in Section 5.1.

(b) The Commission shall provide the Team with written notice whenever the Commission receives notice of a Claim. Such written notice shall be furnished to the Team not later than twenty (20) days after the Commission receives notice of the Claim or is served with process in connection with the Claim. In the case of service of process of a Claim, the Commission shall provide its written notice to the

Team within such shorter time as may be necessary to give the Team a reasonable opportunity to respond to such service. The Commission's written notice to the Team of any Claim shall include a statement of such information pertaining to the Claim then in the possession of the Commission. Any failure or delay of the Commission to notify the Team shall not relieve the Team of its obligation to provide indemnification, unless and to the extent that such failure or delay materially and adversely affects the Team's ability to defend against, settle, or satisfy the Claim.

(c) After receiving notice of a Claim, the Team shall defend the Claim at its own expense, through attorneys, accountants, and others selected by the Team with the reasonable concurrence of the Commission. The Team shall notify the Commission in writing of its intent to contest or defend the Claim. Such notice shall be provided not later than twenty (20) days after the Team receives notice of the Claim from the Commission as provided in Section 5.2(b). If the Team fails to provide the Commission with written notice of its intention to defend the Claim as required by this Section 5.2(c), the Commission shall have the right: (a) to authorize attorneys satisfactory to it to represent it in connection with the Claim; and/or (b) to defend, settle or compromise the Claim. If the Commission exercises either or both of its rights under this Section 5.2(c), it shall be indemnified by the Team as required by Section 5.1 to the same extent as if the Team had defended or settled the Claim.

(d) If and so long as the Team is actively contesting or defending a Claim in accordance with Section 5.2(c), the Commission shall cooperate with the Team and its counsel in such contest or defense, shall, upon the Team's request and expense, join in making any appropriate counterclaim or cross-claim in connection with the Claim, and shall provide such access to the books and records of the Commission as shall be necessary in connection with such defense or contest.

(e) The Commission shall have the right at any time to settle, compromise or pay any Claim with or without the consent of the Team, but (i) taking such action without the Team's consent shall be deemed a waiver and nullification by the Commission of all indemnification obligations that the Team would otherwise have with respect to the Claim under Section 5.1; and (ii) such settlement or compromise shall not cause the Team to incur any present or future cost, expense, obligation or liability of any kind or nature.

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

(g) If a Claim involves matters partly within and partly outside the scope of the Team's obligation to indemnify as provided in Section 5.1, the attorneys' fees, costs, and expenses of contesting or defending such a Claim shall be allocated between the Team and the Commission, respectively, to the extent that such fees, costs and expenses are attributable to the portion of matters within or outside the scope of the

Team's obligation to indemnify as provided in Section 5.1, as agreed upon in writing by the Parties. If the Parties cannot agree on such allocation, the dispute shall be resolved by Arbitration.

ARTICLE 6

MISCELLANEOUS

6.1 Entire Agreement

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

6.2 Amendments

(a) No modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon the Commission or the Team unless in writing signed by the Commission or the Team.

(b) Notwithstanding anything herein to the contrary, no provision of this Agreement may be amended, supplemented, modified or waived without the written consent of the Trustee if such proposed amendment, supplement, modification or waiver would adversely affect in any material respect the interests of the Bondholders in the Stadium Revenue Bonds or the security therefor.

6.3 Choice of Law; Agent for Service of Process

This Agreement shall be governed by and interpreted in accordance with the internal laws of the District of Columbia, without giving effect to conflict of laws provisions. Upon execution of this Agreement, the Team shall identify, in writing, to the Commission, the name and address of an agent within the District of Columbia upon whom process may be served. The Team shall be required to notify the Commission, in writing, of any change in either the name or address of its registered agent for service of process. If the Team has failed to appoint or maintain a locally registered agent as is required by Applicable Law, the Team hereby irrevocably consents to the Commission's appointment, at Commission's option at any time and from time to time, of the District Government's Superintendent of Corporations of the District Government's Department of Consumer and Regulatory Affairs, Business Regulation Administration, Corporation Division as the Team's agent for such service.

6.4 Severability; Interpretation

Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law. If, however, any provision of this Agreement, or portion thereof, is prohibited by law or found invalid

under any law, such provision or portion thereof, only shall be ineffective without in any manner invalidating or affecting the remaining provisions of this Agreement or the valid portion of such provision, which provisions are deemed severable.

6.5 No Implied Waivers

No waiver by a Party of any term, obligation, condition or provision of this Agreement shall be deemed to have been made, whether due to any course of conduct, continuance or repetition of non-compliance, or otherwise, unless such waiver is expressed in writing and signed and delivered by the Party granting the waiver, nor shall any forbearance by either Party to seek a remedy for any breach by the other Party be a waiver by such party of any rights or remedies with respect to such or any subsequent breach. No express waiver shall affect any term, obligation, condition or provision other than the one specified in such waiver and that one only for the time and in the manner specifically stated.

6.6 Successors and Assigns

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

6.7 Interpretations

All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; and the singular shall include the plural and vice versa. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given in accordance with generally accepted accounting principles, and all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with generally accepted accounting principles. The captions and headings in this Agreement are only for convenience and do not define, limit or describe the scope or intent of any of the provisions of this Agreement. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such words as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. The Parties agree that they have been represented by counsel during the negotiation, drafting, preparation and execution of this Agreement and, therefore, waive the application of any law or rule of construction providing that ambiguities in a contract or other document will be construed against the party drafting such contract or document.

6.8 Notices

All notices, demands, certificates or other communications under this Agreement shall be in writing (except as expressly provided otherwise in this agreement) and shall be deemed to be delivered: (a) when actually received if personally delivered by hand or by reputable commercial overnight courier service; or (b) three (3) Business Days after deposit in the U.S. Mail, postage prepaid, certified mail, return receipt requested, and in each case properly addressed to the Commission, the Team or the Trustee, as follows:

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

With a copy (which shall not
constitute notice) to: Covington & Burling
1201 Pennsylvania Avenue N.W.
Washington, D.C. 20004
Attn.: W. Andrew Jack

If to the Team: Baseball Expos, L.P.
c/o Major League Baseball
245 Park Avenue
New York, NY 10167
Attn: General Counsel

With a copy to: Washington Nationals
RFK Stadium
2400 E. Capitol Street
Washington, D.C. 20003
Attn: Tony Tavares

With a copy (which shall not
constitute notice) to: Foley & Lardner LLP
3000 K Street N.W.
Washington, D.C. 20007-5101
Attn: Richard Weiss

If to the Trustee: [Name of Trustee]
[Street Address]
[City, State and Zip Code]
Attn:

With a copy (which shall not
constitute notice) to: [Name]
[Street Address]
[City, State and Zip Code]

Attn:

Any party, by written notice to the other parties, may change its address for purposes of this Agreement.

6.9 Third Party Beneficiaries

The Trustee and its successors and assigns, and the District Government, shall be third-party beneficiaries to the provisions of this Agreement, and shall be entitled to rely upon and directly enforce such provisions of this Agreement so long as one or more of the Stadium Revenue Bonds is outstanding. Except as provided in Section 4.2, Article 5 (relating to indemnification) and this Section 6.9, nothing in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against any Party and no third party shall be deemed a third party beneficiary of this Agreement or any provision hereof.

6.10 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same fully executed agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

6.11 Survival

The payment obligations for amounts due and payable prior to the expiration or any other termination of this Agreement and the rights and obligations provided under Articles 4 and 5 and Sections 2.4, 6.3, 6.8, 6.9, 6.11 and 6.12, shall survive the termination of this Agreement.

6.12 Waiver of Jury Trial

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

[Remainder of page intentionally blank - Signature page follows]

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

**DISTRICT OF COLUMBIA SPORTS AND
ENTERTAINMENT COMMISSION**

By: _____

Name: Allen Y. Lew

Title: Chief Executive Officer

By _____

Name: Mark H. Tuohey

Title: Chairman

BASEBALL EXPOS, L.P.

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

By _____

Name: Tony Tavares

Title: President

Exhibit A

Provisions arising under Section 2.4(d)

DISTRICT GUARANTY

Reference is made to that certain Lease Agreement (the "Agreement") dated as of _____, 2005 by and between Baseball Expos, L.P. (the "Team") and the District of Columbia Sports and Entertainment Commission (the "Commission"). Capitalized terms used but not defined in this Guaranty shall have the meanings ascribed thereto in the Agreement.

1. Guaranty of Commission Obligations.

The undersigned District of Columbia Government (the "District"), acknowledging and agreeing that it will benefit from the Commission entering into the Agreement, hereby irrevocably and unconditionally guarantees to the Team the payment and performance of all financial obligations of the Commission under the Agreement (the "Commission Obligations"). The undersigned hereby waives notice of nonpayment, nonperformance, or nonobservance, and waives any notice of acceptance of this Guaranty and any other notice to, or demand upon, the undersigned that the Team might otherwise be required to give or make in connection with this Guaranty. This Guaranty is delivered pursuant to Section 6.14 of the Baseball Stadium Agreement.

2. Anti-Deficiency Limitations.

(a) The District acknowledges and agrees, and the Team by its receipt of this Guaranty acknowledges and agrees, that the obligations of the District to satisfy the Commission Obligations or any other financial obligations of any kind under this Guaranty, or any subsequent agreement entered into pursuant to this Guaranty or referenced herein (to which the District or the Commission is a party), are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351, (ii) D.C. Official Code §47-105, (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08, as the foregoing statutes may be amended from time to time, (iv) Section 446 of the District of Columbia Home Rule Act (D.C. Official Code §1-204.46), regardless of whether a particular obligation has been expressly so conditioned, and (v) any other applicable federal or local laws, rules or regulations. The District agrees to exercise all lawful and available authority to satisfy any financial obligations of the District that may arise under this Guaranty; however, since funds are appropriated annually by Congress on a fiscal year basis, and since funds may not have yet been appropriated in whole or in part for the undertakings contemplated herein, the District's legal liability for the payment of any costs shall not arise unless and until appropriations for such costs are approved for the applicable fiscal year by Congress (nor shall such liability or obligation arise if, despite the District's compliance with the following paragraph regarding budget submission pursuant to subsection (b) of this Section, a request for such appropriations is excluded from the budget submitted by the District to Congress for the applicable fiscal year). The District makes no representation or assurance that Congress will grant the authorizations and appropriations necessary for the District to perform its financial obligations under this Guaranty, and nothing shall create an obligation of the District in anticipation of an appropriation from Congress for such purposes.

(b) During the term of the Agreement, the Mayor of the District of Columbia or other appropriate official shall for each fiscal year include in the budget submission

to the Council the amount necessary to fund the District's obligations hereunder for such fiscal period. Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this paragraph or in the event of a default by the District hereunder.

(c) This Guaranty shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

(d) IN ACCORDANCE WITH § 446 OF THE HOME RULE ACT, D.C. OFFICIAL CODE § 1-204.46, UNLESS OTHERWISE PROVIDED, NO DISTRICT OFFICIAL IS AUTHORIZED TO OBLIGATE OR EXPEND ANY AMOUNT UNDER THIS GUARANTY UNLESS SUCH AMOUNT HAS BEEN APPROVED AND APPROPRIATED BY ACT OF CONGRESS.

This Guaranty shall survive any termination of the Agreement and/or any assignment of the Agreement in accordance with Section 14.1 or 14.2 of the Agreement.

THE DISTRICT OF COLUMBIA

By _____
Anthony A. Williams,
Mayor

Approved for Legal Sufficiency

Title: _____



Memorandum

To: Allen Y. Lew
Chief Executive Officer

From: Wilma G. Matthias *Wilma G. Matthias*
Chief Financial Officer

Reference: Lease Agreement
Between the District of Columbia
Sports & Entertainment Commission
and Baseball Expos, LLP

Date: December 8, 2005

Subject: Fiscal Certification

I have reviewed the final form of the proposed Lease Agreement between the District of Columbia Sports and Entertainment Commission (the "Commission") and Baseball Expos, LLP. I hereby certify that the Lease Agreement is consistent with the Commission's current appropriated budget and financial plan for the Ballpark for this fiscal year.



GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Deputy Chief Financial Officer
Office of Tax and Revenue



DECEMBER 9, 2005

COLLECTION DIVISION
202-442-6593

BASEBALL EXPOS, LP
P O BOX 568
STUART, FL 34995-0568

CERTIFICATE OF GOOD STANDING

RE: BASEBALL EXPOS, LP
FEIN/SSN: 75-2994832

This is to certify that the above referenced individual or entity is in good standing with their District of Columbia tax(es) as of the above date.



MANAGER
COLLECTION DIVISION

NOTICE OF BUSINESS TAX REGISTRATION

Date of Notice: December 16, 2005

Notice Number: 2739945051209

BASEBALL EXPOS, LP
PO BOX 568
STUART, FL 34995-0568

EIN: 75-2514832

You have been registered for the tax(es) shown below. Your filing basis has been determined as shown. It is important that the Employer Identification Number referenced above be used on all correspondence and returns.

| TAX TYPE | ACCOUNT ID | FILING FREQUENCY | TAX YEAR END |
|------------------------------|--------------|------------------|--------------|
| UNINCORPORATED FRANCHISE TAX | - | ANNUAL | FY12 |
| WITHHOLDING | 300000067978 | MONTHLY | FY12 |
| SALES AND USE TAX | 350000055920 | MONTHLY | FY12 |
| PERSONAL PROPERTY TAX | - | ANNUAL | FY06 |

Any tax returns currently due are enclosed with this notice. Tax returns that are due in the future will be mailed separately to you prior to the due date. If you have tax returns that are delinquent, you will be notified by the Office of Tax and Revenue.

If applicable you will also be registered for Unemployment Compensation Taxes and will be contacted by the Office of Unemployment Compensation regarding your filing requirements. Any questions concerning your liability for Unemployment Compensation may be answered by calling (202) 724-7457.

A Declaration of Estimated Franchise Tax (Form D-20 ES or D-30 ES) must be filed by every corporation and unincorporated business whose franchise tax may reasonably be expected to exceed \$1,000 for the taxable year.

Should you have any questions please call (202) 727-4TAX (4829) or send correspondence to:

Customer Service Administration
Business Tax Registration Section
P.O. Box 470
Washington, DC 20044

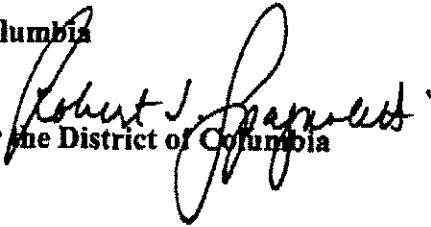
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

Attorney General



MEMORANDUM

TO: Anthony A. Williams
Mayor, District of Columbia

FROM: Robert J. Spagnoletti 
Attorney General for the District of Columbia

DATE: December 9, 2005

SUBJECT: Certification of Legal Sufficiency for Draft Lease Agreement, the "District of Columbia Sports and Entertainment Commission and Baseball Expos, L.P. Lease Agreement"

This is to Certify that the Office of the Attorney General for the District of Columbia has reviewed the above-referenced draft lease agreement (the "Agreement") and that we have found it to be legally sufficient. It is our opinion that:

- (1) Upon approval of the Agreement by the Council of the District of Columbia pursuant to D.C. Official Code § 1-204.51(b)(1), the District of Columbia Sports and Entertainment Commission (the "Commission"), acting through Mark H. Tuohey, its chairman, and Allen Lew, its Chief Executive Officer, will have full authority to execute and deliver the Agreement. All other governmental or other approvals necessary for the execution and delivery of the Agreement have been obtained.
- (2) The draft lease, upon execution and delivery by the Commission as aforesaid, will constitute the valid and binding obligations of the Commission, and will be enforceable against the Commission in accordance with its terms.

If you have any questions in this regard, please do not hesitate to call either Charles F. Barbera, Deputy Attorney General, Commercial Division at 442-9834 or me at 724-1305.

RJS/cfb

(129956.068)

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General

Attorney General



MEMORANDUM

TO: Anthony A. Williams
Mayor, District of Columbia

FROM: Robert J. Spagnoletti *Robert J. Spagnoletti*
Attorney General for the District of Columbia

DATE: December 9, 2005

SUBJECT: Certification of Legal Sufficiency of District Guaranty of Draft Lease Agreement by District of Columbia Sports and Entertainment Commission to Baseball Expos, L.P.

This is to Certify that the Office of the Attorney General for the District of Columbia has reviewed the above-referenced District Guaranty of a draft lease agreement by the District of Columbia Sports and Entertainment Commission to Baseball Expos, L.P. (the "Guaranty Agreement") and that we have found it to be legally sufficient. It is our opinion that:

- (1) Upon approval of the Guaranty Agreement by the Council of the District of Columbia pursuant to D.C. Official Code § 1-204.51(b)(1), the District of Columbia, acting through Anthony A. Williams, its Mayor, will have full authority to execute and deliver the Guaranty Agreement. All other governmental or other approvals necessary for the execution and delivery of the Guaranty Agreement have been obtained.
- (2) The Guaranty Agreement, upon execution and delivery by the District of Columbia as aforesaid, will constitute the valid and binding obligations of the District of Columbia, and will be enforceable against the District of Columbia in accordance with its terms.

If you have any questions in this regard, please do not hesitate to call either Charles F. Barbera, Deputy Attorney General, Commercial Division at 442-9834 or me at 724-1305.

RJS/cfb

(129956.068)

DISTRICT GUARANTY

Reference is made to that certain Construction Administration Agreement (the "Agreement") dated as of _____, 2005 by and among the District of Columbia, a municipal corporation (the "District"), the District of Columbia Sports and Entertainment Commission, an independent entity of the District (the "Commission"), and Baseball Expos, L.P. a Delaware limited partnership (the "Team").

1. Guaranty of Commission Obligations.

The District, acknowledging and agreeing that it will benefit from the Commission entering into the Agreement, hereby irrevocably and unconditionally guarantees to the Team the payment and performance of all financial obligations of the Commission under the Agreement (the "Commission Obligations"). The undersigned hereby waives notice of nonpayment, nonperformance, or nonobservance, and waives any notice of acceptance of this Guaranty and any other notice to, or demand upon, the undersigned that the Team might otherwise be required to give or make in connection with this Guaranty. This Guaranty is delivered pursuant to Section 8.04 of the Baseball Stadium Agreement.

2. Anti-Deficiency Limitations.

(a) The District acknowledges and agrees, and the Team by its receipt of this Guaranty acknowledges and agrees, that the obligations of the District to satisfy the Commission Obligations or any other financial obligations of any kind under this Guaranty, or any subsequent agreement entered into pursuant to this Guaranty or referenced herein (to which the District or the Commission is a party), are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§1341, 1342, 1349, 1351, (ii) the D.C. Official Code 47-105, (iii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47-355.01 – 355.08, as the foregoing statutes may be amended from time to time, (iv) Section 446 of the District of Columbia Home Rule Act, regardless of whether a particular obligation has been expressly so conditioned, and (v) any other applicable federal or local laws, rules or regulations. The District agrees to exercise all lawful and available authority to satisfy any financial obligations of the District that may arise under this Guaranty; however, since funds are appropriated annually by Congress on a fiscal year basis, and since funds have not yet been appropriated in whole or in part for the undertakings contemplated herein, the District's legal liability for the payment of any costs shall not arise unless and until appropriations for such costs are approved for the applicable fiscal year by Congress (nor shall such liability arise if, despite the District's compliance with the following paragraph regarding budget submission pursuant to subsection (b) of this Section, a request for such appropriations is excluded from the budget submitted by the District to Congress for the applicable fiscal year). The District makes no representation or assurance that Congress will grant the authorizations and appropriations necessary for the District to perform its financial obligations under this Guaranty.

(b) During the term of the Agreement, the Mayor of the District of Columbia or other appropriate official shall for each fiscal year include in the budget submission to the Council the amount necessary to fund the District's obligations hereunder for such fiscal period. Notwithstanding the foregoing, no officer, employee, director, member or other natural

person or agent of the District shall have any personal liability in connection with the breach of the provisions of this paragraph or in the event of a default by the District hereunder.

(c) This Guaranty shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

(d) IN ACCORDANCE WITH § 446 OF THE HOME RULE ACT, D.C. OFFICIAL CODE § 1-204.46, UNLESS OTHERWISE PROVIDED, NO DISTRICT OFFICIAL IS AUTHORIZED TO OBLIGATE OR EXPEND ANY AMOUNT UNDER THIS GUARANTY UNLESS SUCH AMOUNT HAS BEEN APPROVED AND APPROPRIATED BY ACT OF CONGRESS.

This Guaranty shall survive any termination of the Agreement and/or any assignment of the Agreement in accordance with Section 12.6 of the Agreement.

THE DISTRICT OF COLUMBIA

By _____
Anthony A. Williams,
Mayor

Approved for Legal Sufficiency

Title: _____